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Economy Picks Up In the U.S.

GNP Growth At 4.3% Pace Exceeds Forecasts

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy grew at a surprisingly strong 4.3 percent annual rate in the third quarter, a percentage point higher than the government's estimate last month, the Commerce Department reported Wednesday.

The government also reported that after-tax profits of American corporations rose 5.3 percent in the third quarter, following a much smaller 0.3 percent increase in the second quarter. It was the largest gain for corporate profits since a 5.7 percent increase in the first quarter of 1984.

Contributing to the improvement in the gross national product, a measure of the total value of a nation's goods and services, was faster growth than originally estimated in inventories and government spending.

But private analysts cautioned that much of the economy's strength was derived from a temporary surge in sales of new cars as consumers responded to attractive financing incentives.

Despite the rise in the growth rate, inflation remained moderate in the third quarter. It was at an annual 3.1 percent rate, down from the second quarter's 3.9 percent.

The new GNP figure was a sharp revision from a projection last month of 3.3 percent for the third quarter, and it was up even further from the initial "flash" estimate of a 2.8 percent rate. The 4.3 percent rate was the fastest since the second quarter rate of 7.1 percent of 1984.

EMPLOYMENT: The revised data for the third quarter shows a very solid performance," said Beryl A. Sprinkel, the non-timing chairman of the President's Council of Economic Advisors.

He noted that, except for exports, the other "major components" that make up the GNP were revised upward.

The new figure surprised economists. None had come close to forecasting a 4.3 percent rate and many were predicting that the estimate of 3.3 percent last month would be revised downward because of the country's continuing trade problems.

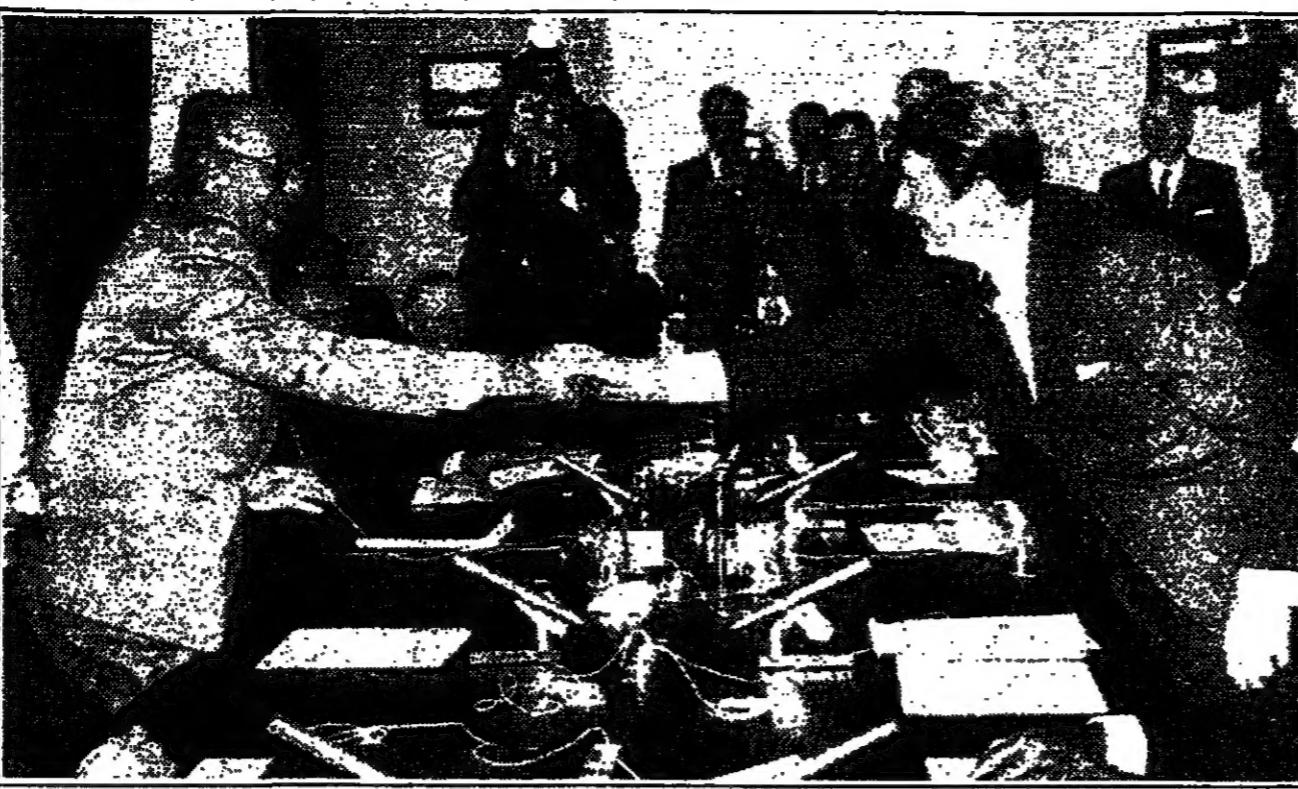
The growth rate supported President Ronald Reagan's arguments of the last few months that the economy was in the midst of a substantial rebound from the weak growth in the first six months of the year.

From January through June, the GNP grew at an annual rate of only 1.1 percent, far below the 6.8 percent growth recorded for 1984. The second quarter rate was 1.9 percent.

Although the administration is predicting an annual growth rate in the final three months of 5 to 6 percent, some analysts said growth could dip as low as 2 percent, dragged down by the trade deficit. It would take a growth rate of 5.7 percent in the quarter to reach the administration's target for the year of a 3 percent expansion.

In addition to being pessimistic about growth in the current quarter, many economists have believed that the economy would slump even further in the first half of 1986.

(AP, UPI)



Two Leaders Who Can Communicate'

Regardless of the outcome of their talks, Mr. Reagan and Mr. Gorbachev appear to be establishing an amicable working relationship. Smiles were in evidence at their two meetings Tuesday, at right and below. Mr. Reagan's spokesman said that the leaders' nearly five hours of private talks demonstrated

that the personal chemistry between the two men was "very good" and that they are "two leaders who can communicate with each other." Before Wednesday's talks at the Soviet mission, above, Mr. Reagan was asked if the two leaders were getting along. He replied, "You can see that, can't you?"



Summit Privacy May Have Helped Break the Ice

By Don Oberdorfer
Washington Post Service

GENEVA — The two visible surprises of the initial meetings between Ronald Reagan and Mikhail S. Gorbachev — their unexpectedly long private talks and the sudden news blackout — may be essential ingredients in any substantial results that come from the first U.S.-Soviet summit meeting in six years.

Guarded comments from both the U.S. and Soviet sides Tuesday suggested that cultural, civil aviation, consular and other bilateral

agreements of modest importance were on track.

But there was no word at all on whether Mr. Reagan and Mr. Gorbachev were making progress to-

NEWS ANALYSIS

ward even a general understanding on the key questions of nuclear and space arms.

The initial private chat of the two leaders appeared to be a necessary personal and political ice-breaker.

"If I were in charge, that is the

way I would do it," said Professor Marshall Goldman, director of Harvard University's Russian Research Center. "Given the hostility and the names which have been called, such as the focus of evil about the Soviets and 'another Hitler' about Reagan, it is hard to see how they could get anywhere without finding a way to smooth things over."

The second private chat, during a walk and a fireside discussion, came at the end of an afternoon meeting on the tough issue of arms control.

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This suggested that the walk might have been the occasion for the effort that Mr. Reagan had spoken in advance to convince Mr. Gorbachev that the Strategic Defense Initiative space-based missile defense plan was a boon to peace and stability rather than a threat to Soviet survival.

The results of the second private discussion were known only to a very few members of the U.S. delegation.

Progress at such a top-level session would seem to be an essential

(Continued on Page 5, Col. 5)

U.S. Reports 'Progress' As Reagan, Gorbachev Talk Privately a 2d Day

By Henry Tanner
International Herald Tribune

GENEVA — Ronald Reagan and Mikhail S. Gorbachev completed two days of summit talks Wednesday, and the U.S. spokesman said that "good progress" had been made. A Soviet spokesman described the talks as positive.

Most of the second day of talks between the president and the Soviet leader was spent in private and informal meetings, following the pattern set Tuesday. On both days, the two leaders conversed extensively with only interpreters present.

"During the afternoon, good progress was made," said Larry Speakes, the White House spokesman. "There are broad areas of agreement and other areas on which further discussion must take place."

He added that at the end of the Wednesday afternoon session, Mr. Reagan and Mr. Gorbachev instructed Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze and other advisers to continue discussions on a "presentation" that would sum up the results of the summit meeting.

The aides were to report to the two leaders Wednesday night at a dinner given by Mr. Reagan. The report will come "between soup and nuts," Mr. Speakes said.

The meetings Wednesday were at the Soviet Mission to the European headquarters of the United Nations, and Mr. Gorbachev was chairman. Mr. Reagan presided at Tuesday's sessions at a private mansion on Lake Geneva.

Mr. Gorbachev will hold a press conference Thursday morning presenting his conclusions about the conference, the Soviet delegation announced Wednesday. He will speak at the Soviet Mission.

U.S. plans for communicating the results of the summit meeting were not known, but Mr. Reagan hinted at the possibility of a joint appearance with the Soviet leader Thursday morning.

"I think we'll probably be seeing each other," he said at a reception given for both delegations by Kurt Pfluger, the Swiss president.

It was not clear whether Mr.

Reagan was talking about a ceremonial meeting or another round of talks to settle unresolved issues.

Mr. Speakes had said that nothing was on the president's schedule for Thursday morning.

Mr. Reagan is to fly to Brussels in the afternoon to address a closed meeting of the North Atlantic Treaty Organization. His stopover is part of a U.S. effort to inform allied governments of the outcome of the talks.

Other U.S. officials will visit other capitals, including some in the Middle East, to give similar explanations to other countries.

Mr. Reagan is returning to Washington on Thursday night and will immediately address the American people in a televised speech.

Mr. Gorbachev, speaking before the start of the morning session, declared himself satisfied with the talks up to that point.

Mr. Gorbachev described the talks as "frank, business-like and responsible."

"We have had a lively discussion on everything," he said. "The fact that the meetings are taking place is important."

His remarks, taken together with similar utterances were seen as a confirmation that the Soviet leader has begun to look at the summit as the beginning of a longer-lasting dialogue between the two superpowers and no longer as a showpiece.

(Continued on Page 5, Col. 4)



Donald T. Regan

U.S. Aide's Gaffe Gives Leaders a Word on Women

The Associated Press

GENEVA — The leaders of the United States and the Soviet Union responded Wednesday to a remark by the White House chief of staff, Donald T. Regan, that women do not understand human rights, arms control or other weighty issues being discussed at the Geneva summit meeting.

Mr. Regan had told The Washington Post that he thought women would be more interested in the activities of the U.S. and Soviet first ladies than in the meetings between President Ronald Reagan and Mikhail S. Gorbachev.

Women, Mr. Regan said, would not understand arms control, "what is happening in Afghanistan or what is happening in human rights." He added, "Some women will, but most women — believe me, your readers for the most part if you took a poll — would rather read the human interest stuff."

Asked about his side's remarks, President Reagan said, "I don't think he meant for it to be interpreted in that way at all. He was simply adding to that interest, that they also had an interest in children and a human touch."

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(Continued on Page 5, Col. 4)



A Dhofari man holding a rifle stands outside a hospital in Salala, southern Oman.

Corruption Issue Begins to Affect Philippine Relationship With U.S.

By Jeff Gerth

New York Times Service

WASHINGTON — Official corruption has emerged as a central issue within the Philippines and, according to U.S. congressional sources and administration officials, it is becoming an increasingly important factor in relations between Manila and Washington.

The corruption issue figured in an unsuccessful effort to impeach President Ferdinand E. Marcos last summer. Opposition leaders have said they intend to bring it up in the elections scheduled for early next year and may refute impeachment charges with new documentation.

In the United States, congressional investigators and a federal grand jury in the Washington area are looking into corruption in the Philippines.

At the heart of the issue is Mr. Marcos, his wife, Imelda, and their associates. Filipino opposition leaders and official U.S. reports have charged that the Marcos family has drained the economy while enriching themselves and then transferred billions of dollars abroad.

A staff report by the Senate Select Committee on Intelligence made public this month summarized the charge against the Marcos family this way: "Corruption has become a serious burden on the economy. The Marcos family in questionable payments by U.S. corporations.

Specifically, these sources have disclosed this information:

• The Marcos family wealth totals a few billion dollars, made up

of real estate, banks, stocks and jewels, but the assets are hidden behind layers of offshore corporations, attorneys and nominees, according to Marcos business associates, court documents and U.S. officials. Mrs. Marcos also collects antiques; in 1981 she paid more than \$4.5 million to the estate of a New York woman for a collection of furnishings and English antiques, according to four people familiar with the transaction.

• Mrs. Marcos heads more than 30 government corporations and Philippine auditors have raised significant questions about 25 of them. For example, the 1984 audit of the National Food Authority found that \$125 million in inventory had not been reconciled with the accounting records.

• Last summer, after the United States forced the food authority to give up its monopoly over grain distribution, Mr. Marcos tried to help set up a private monopoly for a close associate, according to U.S. and Philippine officials. The effort was dropped after U.S. officials held up \$19 million in aid and questioned the intervention, the officials said.

• There are more than 300 government corporations in the Philippines. Many of these were private companies that received favored treatment from the Marcos family. (Continued on Page 3, Col. 1)

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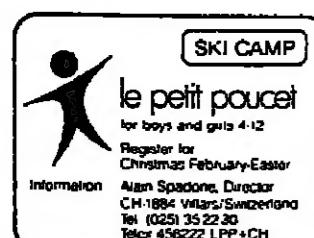
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U.S. Says Fate of Hostages May Be Decided Soon

By Bernard Gwertzman
New York Times Service

WASHINGTON — Senior Reagan administration officials have said that they are confident the United States is now in contact through an intermediary with the captors of at least four Americans in Lebanon. They said the fate of the hostages might be decided in the next few days.

They said Tuesday that as a result of talks in London on Monday between American officials and Terry Waite, the special envoy of the Archbishop of Canterbury. Washington had no doubt that Mr. Waite had met last week with the kidnappers of four of six Americans who have been abducted in Beirut and not released.

Mr. Waite, who has also had talks with British and French officials returned Tuesday to Beirut.

In the London meeting, the American officials relayed to Mr. Waite the administration's views on resolving the problem while reaffirming the U.S. refusal to agree to the captors' principal demand, that the United States press Kuwait to free 17 Moslems convicted of bombings in Kuwait in December 1983.

A official said the American team in London was led by Parker W. Borg, the principal deputy director of the State Department's Office for Counterterrorism and Emergency Planning.

There has been no official confirmation of this because the administration has decided to say as little as possible about the situation

in the hope of making Mr. Waite's talks with the abductors easier.

"We think it all may gel in a few days," an official said. But he said officials did not know whether there would be a breakthrough or whether the captors might take some drastic action.

This was the most solid contact the United States has had with the kidnappers, two officials said individually.

Mr. Waite, to make sure he was dealing with the kidnappers, asked them questions that could be answered only by the captives, and the answers he received were correct, American officials said.

The group holding the Americans has identified itself as the Islamic Jihad, but American officials have said the motivations for the kidnappings were primarily family, not political.

They said they believed the kidnappers were for the most part from the Malawi clan of the Baalbek area in the Bekaa, Lebanon's eastern valley. One of the clan members is among those convicted in Kuwait for the bombings at the American and French embassies that killed five persons and wounded 90.

Mr. Waite, who has been successful on missions in Libya and Lebanon, became involved after the four American captives wrote the Archbishop of Canterbury, President Ronald Reagan and others to ask for help.

American officials said they assumed the captors would not have allowed the letter to be sent unless they wanted to end the kidnapping.

napping. Two months ago the group freed the Reverend Benjamin Weir, a Protestant missionary.

The four are the Reverend Lawrence Martin Jenko, who had been head of Catholic Relief Services in Beirut; David P. Jacobsen, director of the American University hospital of Beirut; Terry A. Anderson, Middle East correspondent for The Associated Press; and Thomas M. Sutherland, acting dean of agriculture at the American University.

Two other Americans are also listed as having been kidnapped. Islamic Jihad claimed last month that it had killed one of them, William Buckley, a U.S. Embassy officer. A sixth hostage, Peter Kilburn, a librarian at the American University, has not been heard from.

■ Waite Drops out of Sight

Mr. Waite dropped out of sight Wednesday as he resumed a freedom mission the day before. Reuters reported in Beirut.

Mr. Waite's whereabouts and that of a two-member French mission who arrived with him from Paris were not known, but the British envoy was assumed to be trying to resume contact to pass on the message to the kidnappers.

He said the time was ripe for "a major move forward" and appealed for a release of all hostages in Lebanon, including four Frenchmen, a Briton and an Italian.



Terry Waite surrounded by guards and militiamen on arrival in Beirut.
The Associated Press

WORLD BRIEFS

Loyalists Attack U.K. Aide in Belfast

BELFAST (UPI) — Dozens of Protestant militants attacked the secretary of state for Northern Ireland, Tom King, on Wednesday night, trapping him briefly in the city hall, witnesses said.

They said Protestant Loyalists protesting the British-Irish accord attacked his car with eggs as it drove into the courtyard of Belfast City Hall and then jostled him as he got out and ran into the building.

Fighting broke out between the crowd and Mr. King's bodyguards as he was bundled to safety. He was not believed injured.

Athens School Reopens After Rioting

ATHENS (Reuters) — Athens Polytechnic, where leftist youths ended their occupation Tuesday night after barricading themselves in the school, Monday night reopened Wednesday as city authorities assessed damage from the most serious rioting in Athens since the Socialists came to power in 1981.

The state-run radio said damage in central Athens, where the youths smashed windows, lit fires and threw firebombs, was likely to total \$80 million drachmas (\$5.6 million). Sources at Polytechnic said no figure was available for damages there, but the estimate was expected to exceed \$700,000.

The rioting was triggered by the death of a 15-year-old boy, he was killed by police bullets during street clashes Sunday. Athanassios Belatas, the policeman who was charged Tuesday with manslaughter in the death of Mihalis Kalitzas, told the prosecutor he had fired in self-defense, according to judicial sources.

2 Koreas Meet, Fail to Make Progress

TOKYO (WP) — Delegates from North and South Korea met for almost three hours Wednesday in the Korean Demilitarized Zone to discuss economic cooperation but adjourned without reaching any agreement, South Korean officials said.

The chief South Korean delegate, Kim Ki Hwan, proposed a barter deal in which the North would provide 300,000 tons of anthracite coal in return for iron products. The North did not respond, according to the South Koreans.

The two sides have agreed in principle to set up a joint commission to re-open economic links, which were suspended shortly before the Korean War broke out in 1950, but have become bogged down over details such as means of payment and the commission's responsibilities. The two sides agreed to meet again Jan. 22, 1986.

Bonner to Leave Soviet Union Dec. 2

NEWTON, Massachusetts (AP) — The wife of Andrei D. Sakharov, the Soviet dissident, told relatives in a phone call Wednesday that she would fly to Rome for an eye examination Dec. 2 and then to Boston for heart surgery.

Speaking from the Soviet city of Gorki, where the couple is in internal exile, Yelena G. Bonner, 62, said she had signed a contract not to talk with reporters while on a three-month medical visa. "If she breaks the promise, she risks that she won't be allowed to return," said Efrem Yankilevich, husband of Mrs. Bonner's daughter Tatiana.

The Yankileviches also spoke with Mr. Sakharov, 64, who staged a six-month hunger strike to gain permission for his wife to seek medical treatment in the West. They said that after learning the visa had been granted, Mr. Sakharov rescinded his resignation from the Academy of Science.

Yelena G. Bonner

Beijing Rejects Trade Ties With Hanoi

BEIJING (Reuters) — China ruled on Wednesday a resumption of trade ties with Vietnam. A senior Vietnamese official visiting China had suggested an improvement in relations.

"China and Vietnam have no trade relations now, nor is the condition available for the resumption of trade," a Foreign Ministry spokesman said at a news conference. The Beijing spokesman was commenting on a statement by Pham Anh, former foreign minister of Vietnam, who said that the two countries could improve their relations, starting with trade.

The Vietnamese official is heading Hanoi's delegation to an Asia-Pacific trade fair in Beijing. He is the highest-level Vietnamese official to visit China since the two countries went to war in 1978 and 1979 over Vietnam's invasion of Cambodia to topple the Khmer Rouge government.

Hurricane Heads Into Gulf of Mexico

MIAMI (AP) — The hurricane designated Kate headed into the Gulf of Mexico on Wednesday, forcing the fourth evacuation this year of thousands of offshore oil workers. Earlier, it struck Cuba and the Florida Keys with winds up to 115 mph (about 185 kph) and nine-foot (about three-meter) waves. Ten persons in Cuba reportedly were killed Tuesday by the storm.

A hurricane watch was posted from the Florida Panhandle to Louisiana, which has been struck by three hurricanes this year. The storm struck Havana two hours earlier than expected Tuesday, forcing the evacuation of 300,000 Cubans and knocking out phones, electricity, television transmission and natural gas lines, according to Prensa Latina, the Cuban news agency.

Power lines and tree limbs snapped and tides flooded roadways throughout the Keys, the 100-mile chain of islands off Florida's tip. No injuries were reported in the United States from the hurricane.

For the Record

Eighteen persons died, including the leader of the outlawed Pati Malaysian Islamic Party, as violence erupted Tuesday in the Malaysian state of Kedah when police tried to arrest the party chief, the government reported.

Fighting between the Zulu and Pondo tribes near Durban killed 11 persons, South African police said Wednesday. The fighting was not related to recent political disturbances in the country.

A man was arrested on suspicion of stealing military documents during a police raid Tuesday on the offices of an anti-militarist organization in Utrecht, the Netherlands, a police spokesman confirmed Wednesday.

An Israeli official said Wednesday that Syria may have provoked an aerial dogfight with Israel to turn the attention of the U.S. and Soviet leaders meeting in Geneva to the Middle East. Israel shot down two planes Tuesday over Syrian airspace near the Lebanon border. (UPI)

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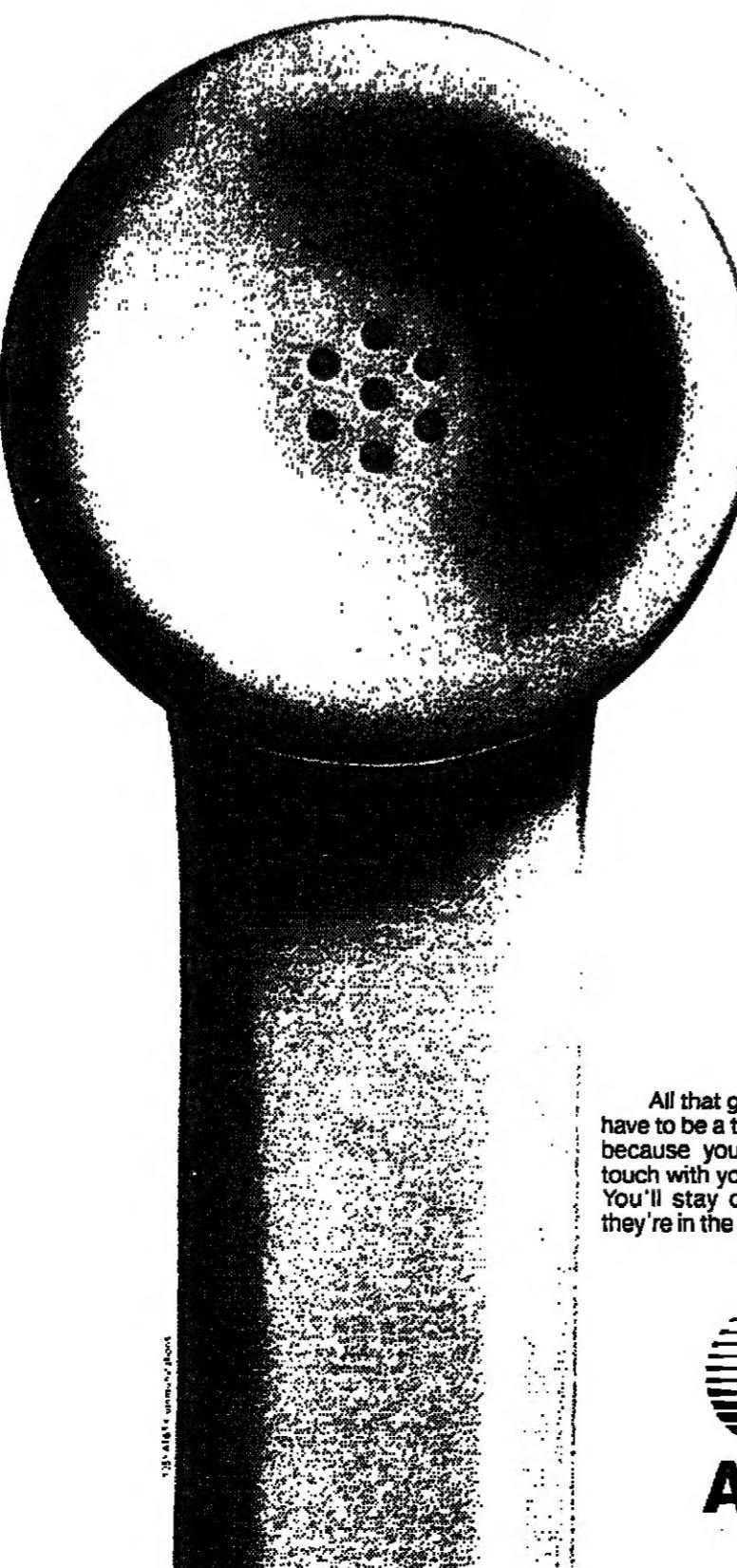
KHARTOUM, Sudan — The U.S. State Department has advised American citizens to avoid the Sudanese capital because of the presence of "known terrorists" in the city, a statement from the U.S. Embassy said.

The statement said the warning was based on a "travel advisory" issued by the State Department which took effect from Wednesday. It said there was a possible threat to U.S. interests in Khartoum but gave no other details.

Western diplomats said the advice was clearly based on U.S. concern at the arrival in Khartoum of certain Libyans since the overthrow of President Gaafar Nimeiri in April. The transitional government in Khartoum has improved relations with Tripoli and allowed the Revolutionary Committees Movement, the ideological wing of the Libyan government, to open an office in the city.

WHAT WOULD LIFE BE LIKE WITHOUT IT? WEEKEND EACH FRIDAY IN THE IHT.

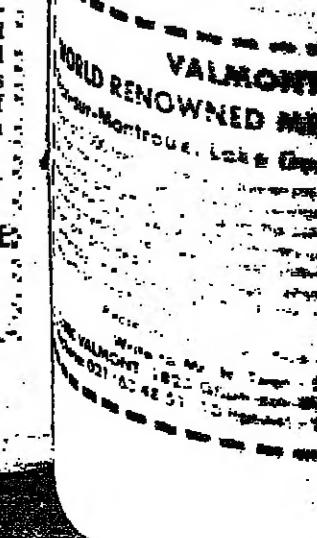
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At Berkeley, University Takes on an Oriental Aura

By Jay Mathews
Washington Post Service

BERKELEY, California — With the usual salad of Jello and cottage cheese, the student dining halls now serve sun-fried beef, egg rolls, sesame chicken and steamed rice. In some sections of the electrical engineering department, the instructor may lapse into Chinese without anyone losing the thread.

In this huge university, still a symbol for what is best about American public education, the transformation has come too quickly to the full impact to be evident, but Berkeley and other campuses of the University of California have become key training grounds for a rapidly growing Asian-American elite.

This month, in the aftermath of a bitter controversy over alleged discrimination against applicants of Asian descent, the Philippines, Korea, Japan and Vietnam, are the second-largest identifiable ethnic group at the largest university system in the West.

They appear destined to populate the upper levels of American science, business, government and education in the next century in proportions far beyond previous expectations or their percentage of the population.

Statistics have become commonplace on social and academic achievements of Asian-Americans, who on average outperform all other ethnic groups in mathematics tests, high school graduation rates and family income.

But the changed atmosphere at this hilly campus, where teriyaki-chicken vendors have replaced the 1960s antiwar protesters on Telegraph Avenue, shows that a remarkable increase in their numbers has raised the visibility of their individual achievements.

Some departments report that students are

and repute, Caucasians who are not Hispanic are a minority in the freshman class, 47.9 percent.

Ethnic Asians, principally students whose families immigrated from China, the Philippines, Korea, Japan and Vietnam, are the second-largest identifiable ethnic group at the largest university system in the West.

For years, American scholars and social critics have written about difficulties encountered by new Asian and Hispanic immigrants in absorbing U.S. culture and joining the American mainstream. But the scene at Berkeley, and at several other crucial junctures of American life, suggests that they actually are changing America in effect creating a new mainstream.

Analysis specializing in the Asian-American community are watching to see whether the emerging students will alter the habits of the boardroom and factory as much as they have influenced the face of this university.

Many educators and Asian-American leaders here believe that the transformation is likely to provide a subtle but severe test of lingering racism among white, black and Hispanic Americans.

Despite one's achievements and, in some cases, generations of American roots, "you're really not entirely part of America because of your appearance," said Munson A. Kwok, a Chinese-American who is a laser researcher and amateur historian.

Of Berkeley's 22,321 undergraduates, 24.7 percent are ethnic Asian, not including 300 foreign exchange students from Asia.

The first survey of ethnic Asian students at Berkeley in 1966 found that they comprised less than 6 percent of the student body.

Many Berkeley professors say the increase in ethnic Asians has accelerated students' recent tendency to choose courses that will make them "marketable." The pressure is not only self-imposed but also parental, and is magnified by Asians by the enormous importance of family size.

"The parents have a limited perception of what the job market is out there," said Lingchi Wang, a professor of Asian-American studies. "So they think engineers, or lawyers, or doctors, are what their children should be, when in fact not all of them would do well in such fields."



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House Group Asks Longer Write-Offs, End to U.S. Investment Tax Credit

By David E. Rosenbaum,
New York Times Service

WASHINGTON — A working group of the House Ways and Means Committee has voted to abolish the investment tax credit and to lengthen the amount of time over which companies can write off their investments in plants and machinery.

Many industries have used the investment credit and the rapid depreciation features of the 1981 tax law to reduce their tax liabilities significantly.

Tuesday's decisions mean businesses would have to pay about \$150 billion more in taxes over the next five years than they would under the current laws, according to estimates by the committee staff.

The full Ways and Means Committee, began voting on the six member bipartisan group's proposals on Tuesday night. So far the committee has adopted recommendations of such groups without change.

President Ronald Reagan proposed ending the investment credit, but he offered depreciation schedules more favorable to business than those the working group approved.

The group rejected Mr. Reagan's proposal to require taxpayers who

took advantage of the rapid depreciation rules of the 1981 law to repay part of their benefits over the next three years.

The full committee approved reducing to 20 percent, from 25 percent, the tax credit that businesses can claim for research and development expenses. The president had proposed extending the full 25 percent credit.

The committee also voted to continue to allow taxpayers to deduct all their interest payments on mortgages on second homes and to retain many other tax advantages now enjoyed by real estate investors. Among these are the ability to deduct losses on the full value of their real estate, including the amount they have borrowed.

Those proposals and others recommended Monday by another working group were approved without change.

President Reagan had proposed that only interest paid on primary residences be fully deductible.

Expansion of the investment tax credit and accelerated write-offs of investment expenses were cornerstones of the Reagan administration's economic policy enacted in 1981. But most economists, including those in the administration, say the incentives were too generous

made public in Manila by the Commission on Audit, identified 303 government corporations at the time.

Most of these refused to be audited by the commission despite a provision in the Philippine constitution calling for an audit according to the report.

Of the 118 corporations that were audited, only 50 were given a clean bill of health. The 58 others were found to have "material exceptions" or other reservations.

The report listed Mrs. Marcos as being on the board of 31 corporations; in all but one case she was listed as chairman of the board. Of the 31 corporations only six received a clean bill of health.

The report said the audit of the National Food Authority found that \$125 million in inventory had not been reconciled with the accounting records, but offered no elaboration.

Last summer the United States held up about \$40 million in food aid until the authority relinquished its monopoly over the importation of wheat and flour.

After the aid was released, President Marcos wrote a letter to the head of the Philippine Central Bank asking that foreign exchange, necessary to pay for imports, be granted to only one group, according to U.S. and Philippine officials, including Reginald Velasco, the third secretary for economic affairs at the Philippines Embassy.

This request would have created, in effect, a private monopoly for a close associate of Mr. Marcos.

The request was rescinded, the officials said, after the United States held up an additional \$19 million.

Opposition leaders said that corruption was one of two main issues in the coming election — the other human rights — and that they were going to file impeachment charges based on new information.

The staff of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs is taking a preliminary look at the opposition charges, but a subcommittee aide said it was difficult to trace personal holdings.

It is also difficult to keep track of hundreds of Filipino corporations owned or controlled by the Marcos government.

No single Philippine government office keeps an up-to-date list of government corporations, even though they make up 30 percent of the government's total debt, according to a 1984 report titled Government-Owned and Controlled Corporations. The report, recently

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working harder, some dormitories are quiet, admissions policies are being closely examined, recreational opportunities have expanded and some English instructors are grinding their teeth, all as the result of this huge influx of students whose families have crossed the Pacific in the last 20 years.

For years, American scholars and social critics have written about difficulties encountered by new Asian and Hispanic immigrants in absorbing U.S. culture and joining the American mainstream. But the scene at Berkeley, and at several other crucial junctures of American life, suggests that they actually are changing America in effect creating a new mainstream.

Analysis specializing in the Asian-American community are watching to see whether the emerging students will alter the habits of the boardroom and factory as much as they have influenced the face of this university.

Many educators and Asian-American leaders here believe that the transformation is likely to provide a subtle but severe test of lingering racism among white, black and Hispanic Americans.

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Linda K. Richter, an associate professor of political science at Kansas State University, told Congress earlier this year that in 1983 the Philippine government secretly converted the debt into equity, in effect making the failing company a government corporation.

The cost of the takeover equalled 20 percent of the entire money supply for the Philippines, she said in prepared testimony before the Subcommittee on Asia and Pacific Affairs during hearings in March.

A 1984 State Department planning document noted that the Philippine government had taken over the assets of "over a hundred financially distressed establishments" and that "a good number of the firms seemed to enjoy special privileges from the government of the Philippines."

This month Senator Edward M. Kennedy, Democrat of Massachusetts, asked the General Accounting Office, the investigating arm of Congress, to look into reports of corruption involving U.S. aid to the Philippines.

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Amid Differing Accounts, González Affirms He Wants U.S. Troop Cuts

By Edward Schumacher
New York Times Service

MADRID — Prime Minister Felipe González has affirmed that Spain will continue to press for a reduction in the number of U.S. troops stationed here.

The issue, which has figured in talks between Madrid and Washington, has grown more sensitive recently as Spanish and American officials have given different accounts of the talks. They also disagree on whether the talks constitute formal negotiations.

Mr. González, speaking in an hourlong interview Tuesday, suggested that American officials might not be clear about Spain's determination to seek the troop cuts.

"Unfortunately, there is a great deal of confusion" about the issue, he said, adding, "I regret it."

Mr. González said he made it clear in September to Vice President George Bush and Secretary of State George P. Shultz that Spain planned to seek reductions in the number of U.S. troops here, currently more than 12,500.

He added that Spain had also stressed in the technical-level talks that began here last month that the only reason Spain had not called for high-level formal talks, as it can

do under the 1953 troop treaty, was to keep things at a friendly level.

The troops are widely resented because they were introduced under Franco. The Americans say four U.S. naval and air bases and smaller communications outposts are critical to Western defense of Europe and the Mediterranean.

"Until now the United States has been using Spain territorially," Mr. González said, adding, "I will not tolerate things staying that way. The Spanish people have regained their sovereignty and any relations will be discussed in terms of Spain's defense needs."

"I don't want to make a decision by myself," he said. "That would have a positive impact for internal political consumption but a negative impact on United States relations, which I hope will be long-term, strict and friendly."

Mr. González declined to say how large a reduction in U.S. troops he wanted or which bases he might want to close, but he said his defense value has been reduced by Spain's entry into the North Atlantic Treaty Organization in 1982. He has scheduled a referendum early next year on whether Spain should remain in NATO, which he favors, and conservatives have charged that he is

using the troop cut as a carrot to help win the referendum.

Mr. González said the referendum would be held between Feb. 24 and March 24 and he expected to win, although with difficulty. He repeatedly sidestepped questions about whether he would pull Spain out of NATO if he lost. What he does will be "consistent with the decision of the people."

The interview with Mr. González, on the eve of the 10th anniversary of the death of Franco and Spain's return to democracy, took place in a room decorated with 19th-century tapestries of the Goya School and a gaily chiming clock in Moncloa Palace, a leafy estate rebuilt by Franco after its destruction in the Spanish Civil War.

Mr. González, 43, who was harassed by the police under Franco, said he felt "nothing special" about the anniversary.

"In the last 10 years Spain has lived through the most important and peaceful revolution in its history," he said.

In January, Spain is scheduled to join the European Community, which he said "more than any other event in 150 years of Spanish history changes Spain's place in the world by ending its social and political isolation."



MEETING OF THE MINDS — Archbishop Paul Reeves, left, was welcomed in Wellington with a traditional Maori greeting by Prime Minister David R. Lange. The Anglican bishop was installed Wednesday as New Zealand's first part-Maori governor-general.

More White Enter Than Leave, Says Zimbabwe

By Jack Foisie
International Herald Tribune

HARARE, Zimbabwe — At increasing number of whites who for South Africa after Zimbabwe came under black rule in 1980 seeking to return to the country government official has disclosed.

Justin Nyoka, director of Ministry of Information, said recently that for the first time a whites were entering the country were leaving and that these people were Zimbabwe disgruntled with life in South Africa.

"The white people across borders in South Africa want come here," Mr. Nyoka said.

Officials do not keep a breakdown between arrivals of blacks and whites, so no specific numbers on the recent flow of immigrants from South Africa, England elsewhere are available. Officials described the influx "small but steady" for the past several months.

The change of heart by whites willing to return and live under Zimbabwe government headed Prime Minister Robert Mugabe, former guerrilla leader, is attributed to the worsening racial turn in South Africa and the fear being caught in another war.

The surge may also be due to government deadline of Nov. 30 Zimbabweans holding dual citizenship to renounce one or the other. Most whites have British as well Zimbabwean citizenship but have enjoyed equal rights in the country.

Many British passport holders say they are converting to Zimbabwean citizenship, fearing that nonwhites and whites they would be subject to some restrictions.

They apparently also believe they should decide to leave the community they would be able to regain British citizenship. There are about eight million black Zimbabweans, while the white population is believed to have declined from 250,000 in 1980 to about 100,000.

Black liberation forces and troops loyal to the white Rhodesia government of Prime Minister Ian Smith battled from 1972 to 1979 before negotiations under British auspices led to independence to the former British colony. Mr. Mugabe was elected Zimbabwe's first black prime minister.

Zimbabwe officials said that not all whites who went to South Africa were being allowed to return. Applications are screened, and those who were prominently identified with the government or were members of the Rhodesian Army are being rejected, the officials said.

John Kelley, now in public relations in Harare, said he was "glad to be back."

"We tried England," he said. "Then we tried South Africa. We weren't happy in either place."

UN Report Says Charges of Execution, Torture in Iran 'Cannot Be Dismissed'

By Michael J. Berlin
Washington Post Service

UNITED NATIONS, New York — The first attempt by the United Nations to fully investigate human rights in Iran has concluded with an interim report saying that allegations of systematic executions and torture "cannot be dismissed as groundless" and called for continued monitoring.

The report, prepared for the General Assembly by Andres Aguilar of Venezuela, a special representative of the UN Human Rights Commission, was leaked by representatives of the Baha'i religious community Tuesday and will be issued officially next week.

Richard Fursland, a consultant to the Baha'i group, called the Aguilar report a whitewash that "will cut the feet out from under UN action to pressure Iran to limit rights violations."

Another member of the group drafting the resolution noted that

Mr. Fursland served until recently as the British representative on the Human Rights Commission.

Mr. Fursland's view was echoed in less emphatic terms by a number of Western diplomats now drafting a UN resolution on Iranian violations. The assembly will have Iran and Afghanistan on its human rights agenda for the first time, in a debate to start next week.

Mr. Aguilar reported that Iran had not permitted him to enter and had not responded adequately to the allegations he cited. He did not draw any conclusion as to the truth of the charges, and expressed appreciation for Iranian cooperation.

The UN representative's job, said a diplomat, "is supposed to be to make conclusions on what may be true, and he was too cautious in saying nothing is proven."

Representatives of the Baha'i faith, which originated in 19th-century Iran as an offshoot of Islam and now has about 300,000 adherents there, said that about 300 of their number have been executed.

The volcano has been erupting continuously since Monday. But the emergency official said the lava flows were cooling and unless volcanic activity increased it should be safe for the villagers to return within a few days.

Papuan Villagers Flee Volcano Lava

Reuters

PORT MORESBY, Papua New Guinea — About 360 villagers were evacuated as lava flowed down the slopes of Mount Ulawun volcano in Papua New Guinea, officials said Wednesday.

The flow was moving toward villages three miles (five kilometers) from the crater on the eastern side

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THE GIN OF ENGLAND

Sierra Leone Denies Role In Liberia Coup Attempt

By Kendall J. Wills
New York Times Service

LEONE, Cuba has also denied involvement.

Mr. Kamara said, "My country is trying to maintain most friendly relations with Liberia, which is having internal problems. My government had nothing to do with this so-called invasion. If we had wanted to do it, it would have been done properly."

Mr. Quiwonkpa was captured and killed by security forces last Friday in Monrovia. About a dozen opposition politicians, including Ellen Johnson-Sirleaf and Jackson F. Doe, have been put under "protective custody," according to a spokesman for the Liberian Embassy in Washington. Jackson Doe is no relation to General Doe and who maintains that he defeated the head of state in presidential elections in October.

The State Department said Tuesday that Liberia has said the failed coup on Nov. 12 was organized by a former brigadier general, Thomas Quiwonkpa, who drew support from members of the opposition Liberia Action Party and recruits from Sierra Leone, Guinea and Cuba. The Liberian leader, General Samuel K. Doe, said the "invasion" attempt started from Sierra Leone's capital.

Liberia has said the failed coup on Nov. 12 was organized by a former brigadier general, Thomas Quiwonkpa, who drew support from members of the opposition Liberia Action Party and recruits from Sierra Leone, Guinea and Cuba. The Liberian leader, General Samuel K. Doe, said the "invasion" attempt started from Sierra Leone's capital.

The abortive coup occurred after General Doe declared that he had won the election Oct. 15 with 50.9 percent of the vote. Opposition members say that Jackson Doe was the winner.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Doe Has Failed the Test

Samuel Doe has now imposed himself upon Liberia three times in this decade. He is neither Liberia's first autocrat nor Africa's worst, but he is a distinct embarrassment to the United States. Per capita, his regime receives more U.S. aid than any other country in black Africa. The total has more than quadrupled since 1980. And Congress linked this year's payments to his democratic performance.

When General Doe, then a master sergeant, first seized power five years ago, he overthrew a minority elite. The American-Liberians, descendants of freed American slaves, had ruled since independence in 1847. Although that 1980 coup was bloody and was followed by executions, it raised hopes among the long-excluded African majority. Brutality, corruption and depression smothered those hopes.

When General Doe, bowing to U.S. pressure, this year staged Liberia's first multi-party

election, the most formidable opposition candidates were excluded. Still the electorate rejected the Doe regime. Western diplomats believe the real victor was Jackson Doe, the candidate of the Liberia Action Party. But General Doe had himself declared the winner.

That was the background to last week's coup attempt. Its leaders were disaffected military men; initial reports that they were succeeding were greeted by celebrations in the streets. In the end, the coup failed.

General Doe remains in power, and much of his regime's budget comes from U.S. foreign aid. Congress has stipulated that this aid should be suspended if the State Department determines that the elections were not free and fair. They were not. General Doe rules by force. He should no longer be allowed to do so with the support of the American taxpayer.

—THE NEW YORK TIMES

Asian Students Do Better

Some problems they have at the University of California Berkeley. The elite university, trying to cope with an extraordinary influx of brilliant Asian students, worries about how to handle ethnic quotas and the feelings of ordinary students who don't want serious students asking them to turn down their stereos. These sound like the difficulties of a lottery winner who has the burden of deciding how to spend his fortune, or of the heiress who must choose between wearing the diamonds or the emeralds. We should all have Berkeley's problems.

The figures are really impressive. This great university, which has a highly selective admissions process, now has a freshman class that is 27-percent Asian in a state where that ethnic group is only 5.3 percent of the population. A large number of those students are foreign-

born, recent immigrants from China, Hong Kong, Japan, Korea, the Philippines and Vietnam. They are achieving out of proportion their presence in the population and have been particularly successful in science, math, business and education. The same trends are apparent on the East Coast, where students of Asian background are now present in large numbers at the most prestigious private universities. Secondary school records indicate that this will not be a passing phenomenon.

Students, faculty and administrators may have to make some adjustments to accommodate these high achievers. But they present an opportunity in addition to a challenge. We should all be asking what we can learn from a group that values education so highly.

—THE WASHINGTON POST

Little Woman, Little Man

Remember the little woman? The woman whom poor men kept barefoot and pregnant, rich men put on a pedestal and all men told not to bother her pretty little head? Bet you thought she had disappeared from the popular psyche. Well, not from Donald Regan's.

The White House chief of staff thinks the little woman isn't up to understanding the issues at the Geneva summit conference—not unless, that is, they involve a *man a mano* between Mrs. Regan and Mrs. Gorbachev's hairdressers. Women, Mr. Regan remarked to The Washington Post, are "not going to understand throw-weights or what is happening in Afghanistan or what is happening in human rights. Some women will, but most women—believe me, your readers for the most part, if you took a poll—would rather read the human interest stuff of what happened."

The New York Times did take a poll recently, of 1,659 male and female readers, about their hopes for Geneva. The questions dealt with matters like nuclear weapons stockpiles and the efficacy of strategic defense. Both sexes responded directly enough. No one of either sex said, "Hey, forget this arms stuff. All I want to know is, Who is to Raisa what Adolfo is to Nancy?" The Times also asked nine prominent Americans about Geneva, including Barbara Tuchman and Diana Feinstein. (See Other Opinion below.) Neither woman said a word about skirt lengths.

Most Americans do not need polls or interviews to learn that women are not what Donald Regan thinks they are. By reaching to put the little woman on the level, he reveals himself to be a very little man.

—THE NEW YORK TIMES

Other Opinion

The World Is a Better Place*

I know one should not build up one's hopes, but the world is a better place when the leaders of the two most heavily armed countries in the world sit down face to face across the table from each other with a sense of openness, patience and understanding. Just the fact that they are meeting lessens tensions.

President Reagan is an enormously likable personality who is sincere in wanting to bring about peace, and I think there can be a kind of dynamic set in place between the two leaders. For the first time in a long time there is a sense of hope that here may be a Soviet leader who is smart and tough but dedicated to a lessening of global tensions. The major substantive thing they have to address is to find a way to at least begin to reduce this enormous proliferation of nuclear missiles. My fear is that the glare of the limelight will put people so on the defensive that there cannot be substantive discussions.

—Dianne Feinstein, mayor of San Francisco, commenting to The New York Times

not even know if we can turn back now that nuclear weapons have been invented.

Still, I think it is very important for us to keep talking to the Russians. It helps us to learn what they are like and what they think, and it helps them learn what we are like and what we think. And it forces [the two leaders] to think about the issues. If [a leader] knows he has to go back and talk again in a year, he may have to do some more serious thinking.

—Barbara Tuchman, the historian, commenting to The New York Times.

Dying Continues, Off Camera

Nearly three weeks ago foreign television and press photographers were forbidden by the South African government to take film in certain areas; newspaper journalists also suffered restrictions. And since that time the flow of "bad news" from South Africa has certainly diminished. But the bald statements made by the South African police suggest that almost every day at least as many blacks are dying in the townships as was the case before the restrictions. The imposition of censorship on the foreign media does not yet appear to have had a measurable effect on the level of unrest.

—The Daily Telegraph (London).

President Botha accuses foreign news media of inciting violence by encouraging rioters to overturn cars and restore violent scenes. He ignores the fact his country has been the scene of unrest for years. It began long before reporters came to document the crimes against human rights which spawn the violence.

—The Messenger (Fort Dodge, Iowa).

FROM OUR NOV. 21 PAGES, 75 AND 50 YEARS AGO

1910: Tolstoy Dies of Pneumonia

ST. PETERSBURG — Leo Tolstoy died of pneumonia this morning [Nov. 20] at Astavovo in Ryazan province. When dying, Count Tolstoy refused to admit a priest to his presence, thus proving that he had no desire to become reconciled with the Church. In the eyes of the ecclesiastical authorities, this renders a religious ceremony impossible. However, the Holy Synod will consider whether the visit is paid to his sister, a nun in a convent, could not be regarded as a tendency to return to the Church. Lev Nikolayevich Tolstoy was born on the estate of Yasaya Polyan, in Tula province, on Sept. 9, 1828. He entered the army in 1851 and took part in the Crimean war. In 1857 and 1861 he travelled in Europe. On his return he married Sonya Andreyevna Bers and devoted himself to literature.

1935: Italians Criticize the League

ROME — The apparent indifference with which members of the League of Nations are watching the Sino-Japanese situation has aroused indignation here. It is taken as proof of the hypocrisy of the League and of the great powers which have come forward as defenders of Ethiopia but show no desire of protecting China — foundation member of the League — against Japan. In Italian opinion, the League's attitude over the present Far East crisis [over Japan's demand for autonomy for five provinces in northern China] shows the world that it is British imperialism which has guided the Geneva body in the Ethiopian question. It is said that it would be difficult to establish Italy's rights to submit China to its rule when Italy's determination to seek territory for colonization has been condemned as aggression.



Rational Arms Policy Isn't Made in a Nightmare

By Anthony Lewis

NEW YORK — "After all these years, almost 40 years, of being deeply concerned about arms and arms control, I've come to realize we took the wrong road. We could not make a rational policy on nuclear weapons because we were obsessed with Russia."

From the beginning, with the Bush proposal, we coupled how terrible the weapons are with how terrible the Russians are. So the more you describe the horrors of nuclear war, the more you fear the Russians. One doesn't think of them as human at all: the diabolical Russians.

"We have wasted our substance now for 30 years and more fighting some phantom Russian. We've neglected America in favor of Russia. It's time that we thought about America. I say get our own house in order. To thine own self be true."

Professor T.I. Rabi was talking over lunch near Columbia University. If there is a grand old man of physics today, it is Mr. Rabi: 87 now, winner of the Nobel Prize in 1944, key figure in the building of the atomic bomb, beloved teacher at Columbia for decades, adviser to presidents.

His subject was the somber one of the arms race, but he was not melancholy. How do economic troubles link to the obsession with the Soviet Union?

"Our best brains have gone elsewhere," he said — to military research and development. And the supposed spin-off from weapons to industry does not amount to much.

He was not arguing that the Soviet system was pleasant or its leaders nice fellows. His point was that for deference you do not need to go on building more and more weapons of mass destruction. The United States has spent \$750 billion on nuclear arms since 1945, and it is spending more right now than it ever has.

"Americans are not stupid," Mr. Rabi said. "And we're educated on the horrors of these weapons. Yet we go on building them."

He talked with verve, with an irony that was almost amusement.

"There are people in this country who hate the Russians more than they love America," he said.

"We have made Russia paramount in our thinking, and you can see the results in the deterioration of the United States. Japan is selling steel at U.S. Steel's doorstep. Our electronic industry is being overtaken."

How do economic troubles link to the obsession with the Soviet Union?

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with German accents. "We need an external villain," he concluded.

The Russians fill that role conveniently because they are in a real ideological conflict with America — and because the two cultures are both evangelical, each believing it has the best political and economic system.

America does have to worry about Soviet power. But it is not a rational response to intensify an arms race that has had destructive effects on American society and has given no security advantage beyond the deterrence provided by nuclear weapons.

Mr. Rabi has essentially given up on a political solution. He said we must take the long view and educate the public to the futility and danger of an endless arms race.

Are politicians really incapable of rationality on this overwhelming problem? No president of the United States can meet a Soviet leader and produce a parrot solution. But a president could come out of a summit meeting with a reasoned agenda for limiting nuclear weapons — and with the message that, while the Communist system is repugnant, Russians and Americans have in common the need to prevent mutual annihilation.

The New York Times

Would the Fall of Marcos Make Much Difference?

By Stanley Karnow

WASHINGTON — The Reagan administration's pressure on President Ferdinand Marcos may well spell his downfall. Given the regime's grievous faults, this might seem to portend an improvement over the current situation in the Philippines. But the question is whether a future government will be competent to cope with the enormous economic and social problems that were becoming critical even before Mr. Marcos seized absolute authority in 1972.

A look at the array of Filipinos jockeying to succeed him suggests that his autocracy may merely be supplanted by the kind of oligarchy whose misrule paved the way for his takeover.

As Washington contemplates alternatives to Mr. Marcos, it should be aware that little will change unless new leaders emerge to renovate the society by a sweeping overhaul of many traditional values. Otherwise the Communist insurgency will continue to spread, thriving as it does on shocking disparities between rich and poor.

In a confidential study released last June, the World Bank estimated that the top 20 percent of the Filipino population accounts for 59 percent of the national income, while 45.4 percent of rural families subsist below the poverty level. If the Marcos government has neglected these conditions, so did its predecessors. In the past, agrarian reform and other such programs were periodically proclaimed with fanfare, then quietly shelved because they alarmed the vested interests that controlled the politicians.

The dimensions of graft and bribery have swollen under Mr. Marcos, but corruption was

endemic long before he appeared. The political structure is built on the understanding that public office affords opportunity for private gain.

The motive is not necessarily personal greed. Filipinos live in a complicated web of kinship ties based on a concept of mutual obligation. An individual in a prominent position is expected to provide for his relatives and friends, who perform services for him in exchange. It may be the world's most effective welfare system, but it spurs politicians and officials to plunder, and it tends to discourage civic virtue. A Filipino's first allegiance is to family and friends.

American tutelage, beginning in 1898, was extraordinarily progressive for its time. But for the sake of expedience it promoted political conduct whose legacy is still being felt.

William Howard Taft, the first governor general, pursued a "policy of attraction" granting limited authority to conservative Filipinos in order to split the ranks of the nationalist movement and fighting against American conquest of the islands. Thus, from the outset the upper classes were put in charge, and they naturally resisted social reforms that would have separated their American tutors the art of patronage, which fit neatly into their own sets of values.

Because the Philippines inherited the trapings of the American political process, Americans congratulated themselves on having created

a "showcase of democracy" in Asia. But Benigno Aquino, whose assassination in 1983 crystallized the mounting opposition to Mr. Marcos, betrayed the country in 1968 as "almost communism by another name."

Mr. Marcos's ability to impose martial law so easily in 1972 testified to the bankruptcy of the system. He soon earned the hostility of millions of elites, less because he clamped down on the press or violated human rights than because he reserved privileges to his pals. Moreover, by clinging to power he deprived "ours" of a chance to displace affluent "us" and be able to fatten themselves and their constituents.

It was revealing that the first anti-Marcos demonstrations in Manila after the Aquino murder staged not by radicals but by businessmen who had been excluded from Mr. Marcos's circle of "crony capitalists."

Many of Mr. Marcos's foes have records that would scarcely stand close scrutiny. Whenever it happens, his removal from power is not going to be a panacea. It will only offer the Filipino moderates a chance to begin a thorough social transformation, which they will have to do for themselves. If they do not, the Communists who are waiting in the hills will do it for them — in a manner that will not be liked to his word.

The writer, a veteran reporter on Southeast Asia, is preparing a book on the Philippines. He contributed this comment to The New York Times.

Muddle in the West Is Good News for Jaruzelski

By Jacek Kalabinski

NEW YORK — Few Western governments seem to know what to make of the top-level changes in Warsaw this month, changes very much aimed at the West and timed to coincide with preparations for the Geneva summit meeting. The truth is that for all its good will and sympathy is shown for the Poles, the West has no coherent policy toward Poland — and the Communist leadership has brilliantly exploited its confusion.

According to official spokesman General Wojciech Jaruzelski was able to resign from the premiership, assuming the office of president, because there are "back to normal" in Poland. An unknown professor of accounting, Zbigniew Messner, was appointed to head the government, but General Jaruzelski will remain the party boss and chairman of the omnipotent National Defense Council. It is not clear what, if anything, this means politically, for both the hard-line former foreign minister, Stefan Olszowski, and the party's leading "liberal," Mieczyslaw Rakowski, were demoted in the process.

In a further effort to prove that all is "normal," the government announced that some noncriminal prisoners will be reviewed and that eventually a few of them will be released. In this, too, the general is playing to Western governments. He hopes they will respond by lifting sanctions or increasing trade and aid. But the promised review falls far short of the two quasi-amnesties of 1983 and 1984, and even in those cases it was only a matter of months before the prisons were again filled with opposition activists.

Despite such public relations gestures, General Jaruzelski's attitude toward the West is largely defiant. When he came to New York in September he deliberately arrived from Cuba. In his United Nations speech he avoided mentioning the United

States by name yet managed to attack it seven times. He also openly blasted the Reagan administration in newspaper and television interviews. His trip was portrayed in Poland as a victory of historic proportions.

Not only was there no reaction from the West, but in preparation for the summit meeting the Reagan administration offered to resume talks with Moscow about Aeroflot landing rights in the United States. No one seemed to remember that suspension of those rights had been the only sanction imposed on the Soviet Union in 1981 in response to the imposition of martial law in Poland.

The State Department is clearly at a loss. Frustrated by the general's defiance and by the failure of its punitive sanctions, it has simply put the carot with the stick?

• Washington should set up a study group to outline a package of large-scale economic aid from major Western governments — aid that

would be conditional on an improvement in the human rights situation and on genuine economic reform.

• Cultural and scientific exchanges should be significantly expanded, with independent Polish artists and intellectuals taking part.

• Assuming that the Polish economy continues to improve, Washington should go ahead with plans to encourage Polish membership in the International Monetary Fund.

• General Jaruzelski should be judged on his actions, not on his professed good intentions. Punishment should be accompanied by incentives, but neither tactic gets results unless he is held to his word.

The writer, who was president of the Polish Journalists' Association, settled in America in 1983. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Mr. Shal

Seek Help
From Today
And Bonn

By Hobart Rowen

WASHINGTON — The economic policy-makers have quietly turned to Gernhard-Rostek's proposal for an import surcharge and other good ideas have formulated a new set of legislative proposals with the American trade delegation. Lloyd Bechtel, chairman of the House Committee on International Trade, has told his colleagues what he wants for a Japanese, Canadian and Brazilian import surcharge and other good ideas have been formulated.

The changes may even be altering the weather itself, they said. The core of the problem, according to Anthony Sinclair and John Fryzell of the University of British Columbia in Vancouver, is that too many people and too many cattle are living on land that can no longer support them, because it has been overgrazed and stripped of vegetation.

"If you feed the people and leave them where they are, it won't address that problem," Mr. Sinclair said recently in an interview. "It will make it worse, because these people will move into new areas and alter the vegetation again, so the famine will spread."

Mr. Sinclair was quick to say that on humanitarian grounds there was no immediate alternative to sending food to the millions of starving Africans, but warned that more must be done.

"The very first thing we have to do is to repair the vegetation," he said. "We've got to get the grasslands growing again. We've got to take the people off the land, take the pressure off the land."

Moving large numbers of people is a difficult political problem in the best of circumstances. It may be impossible, given the political unrest in some of the African countries struck by drought. These countries are in the broad belt known as the Sahel that stretches across the continent just south of the Sahara.

In a recent paper titled "The Sahel of Africa: Ecology of a Disaster," Mr. Sinclair and Mr. Fryzell described how the wildebeest and the white-eared kob, two African antelopes, survive in large numbers by migrating during the rainy season to areas where short-lived, high-protein grasses briefly appear, and then returning in the dry season to areas where vegetation of a lower quality grows all year.

The migration strategy allows more animals to survive than would be possible if they were confined to a single area year-round, and it also allows grasslands to recover during periods when the animals are away.

Many people living in the Sahel have traditionally followed a similar strategy.

The pattern began to disappear several decades ago, however, as Western countries began to send aid to Africa.

Wells were drilled in areas that were green with vegetation all year. Communities developed around the wells, and medical and veterinary care became available.

People who had migrated soon settled near the wells, and it was not long before difficulties arose, according to Mr. Sinclair and Mr. Fryzell.

Grazing animals no longer had

Western Aid Shares in Blame for Famine

Ecologists Say Relief Programs Encourage Settlement, Overgrazing of Land

By Paul Raeburn
The Associated Press

NEW YORK — Piecemeal aid from developed countries has changed life in sub-Saharan Africa so dramatically that the land can no longer support the population, two ecologists have concluded.

The improved medical care increased the population of humans and animals.

The process accelerated, each

periodic episode of less-than-average rainfall had more severe consequences. The famines of 1973 and 1984 were both preceded by reduced rainfall; but resulted in far more deaths than previous droughts, the researchers say.

Beyond the relatively rapid deterioration of grasslands there may, however, be even more ominous long-term problem, Mr. Sinclair said.

The overgrazing may be directly changing weather patterns, causing a decline in rainfall that could last for decades.

That contention comes from the work of other researchers, Mr. Sinclair said.

The process may have already begun. Observations of rainfall in the Sahel show a steady decline over the past 20 years.

Not all researchers agree with this hypothesis. Sharon Nicholson, a meteorologist at Florida State University and an expert on the Sahel's climate, does not believe a long-term change is occurring.

Reasoning from very different observations, she suggests that the current drought is similar to a drought that occurred in the region between 1820 and 1840.

Thus, such droughts can occur in the absence of the kind of human activity that Mr. Sinclair and Mr. Fryzell describe.

"The potential for a human effect there, but it probably hasn't happened," Miss Nicholson said recently at a meeting of the University Seminar on Global Habitability at Columbia University.

"I don't think we have any signal that the drought is going to continue," she said.

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Stepin Fetchit, Comedian in '30s Films, Dies at 83

Los Angeles Times Service
LOS ANGELES — Stepin Fetchit, 83, the black comedian who became a Hollywood star in the 1930s by playing slow-moving, easily frightened characters, died Tuesday of heart failure and pneumonia in Woodland Hills, California. He had been hospitalized there since 1977.

Mr. Fetchit, born Lincoln Theodore Monroe Andrew Perry, went to Hollywood in the late 1920s and made a small fortune in dozens of films portraying shuffling, idle men who rolled their eyes in fright at the complexities of the world.

The subservient men he played were seen as an insult to other American blacks, but Mr. Fetchit said in a 1968 interview that never saw much harm in the stereotype.

"Just because Charlie Chaplin played a tramp doesn't make tramps out of all Englishmen and because Dean Martin drinks that doesn't make drunks out of all Italians," he said. "I was only playing a character and that character did a lot of good." He argued that he had opened doors for other blacks in the film business.

He sued Bill Cosby and CBS in 1970 over the use of some of his film clips in a television program, contending that he had been portrayed as "the symbol of the white man's Negro, the traditional lazy, stupid, crapshooting, chicken-stealing idiot." He lost the lawsuit.

Little was reported about him from 1947, when he filed for protection under federal bankruptcy laws, until he was hospitalized in 1977.

In 1969 when Mr. Fetchit was performing in Louisville, Kentucky, he learned that his 31-year-old son had murdered three people, including the son's wife, before turning the gun on himself in a shooting spree on the Pennsylvania Turnpike.

The comedian got his name as he was starting his career and was out of money in Oklahoma. He placed a bet on a horse named Stepin Fetchit, which won \$30. He wrote a song about the horse. The manager of the theater in Muskogee, where he was performing, liked it and gave him the name.

George Mahon, 85, 44 Years in Congress

SAN ANGELO, Texas (AP) — Former Representative George

Mahon, 85, who served 44 years in Congress and was chairman of the House Appropriations Committee for 14 years, longer than anyone else, died Tuesday.

Mr. Mahon was first elected to Congress in 1934, representing the 19th district in West Texas. He retired in 1978.

■ Other deaths:

Jimmy Ritz, 81, of the Ritz Brothers trio whose comedy routines made them favorites of vaudeville, nightclub and film audiences for more than 50 years. Sunday after a long illness in Los Angeles.

Owen Churchill, 89, the first person to win an Olympic yachting gold medal for the United States and the designer of the rubber swim fin used by American and British swimmers during World War II. Nov. 12 in Los Angeles.



Stepin Fetchit, portraying one of his film characters.

Number of Americans Living Alone, 'Nonfamily' Households Rise Sharply

New York Times Service

WASHINGTON — Almost half the households added in the United States since 1980 consist of people living alone or with nonrelatives, the Census Bureau has reported.

Such households, which the bureau groups as "nonfamily," now make up 28 percent of all the households in the country, compared with 19 percent in 1970.

This is a change that demographers say may have important social and economic implications.

Particularly important, the bureau said in releasing its mid-decade findings Tuesday, was the number of people who now live alone: 20.6 million, almost twice the number found in 1970.

"Households containing only one person have jumped 90 percent since 1970, compared with a 37 percent increase in households overall," the bureau said.

The figures, based on a survey of

the population in March, tended for the most part to indicate a continuation of trends found in the 1970s that some officials thought might have slowed in the 1980s: more widows and divorced people, smaller families, people waiting until later to marry, more housing units, among others.

One trend of the 1970s, however, has been checked in the 1980s: that of young men and women living together without marrying. Steve Rawlings of the bureau's Population Division said the increase in these couples slowed after 1980 and showed no increase from last year to this year, even as the number of households was increasing.

"The number of households containing two unrelated adults of the opposite sex was two million, in both 1984 and 1985, up from about 1.6 million couples in 1980," he said. The bureau does not ask questions that would explain the slowdown.

"Many of these households undoubtedly contain persons cohabitating in lieu of marriage, but situations such as an elderly widow who rents a room to a young man attending college also are included," the analysis said.

The continuing increase in the

number of "nonfamily" households was largely a result of more widows living alone, the bureau said. Young people's postponement of marriage also meant more people living alone, a trend that has been under way for the past quarter century. The median age for marrying is now 23.5 for men and 23.3 for women, an increase of 2.3 years for men and 2.5 years for women since 1970.

A long decline in the number of people in each household, which showed signs of leveling off after 1980, has resumed, and Mr. Rawlings said it might well continue for a number of years.

Since 1940, according to the bureau, the average household in the United States has lost one person. In that year there were an average of 3.67 persons per household. This year the average was down to 2.69.

If the decline continues, as most demographers expected it to do, officials said it could cause more problems for cities, where there are particularly large numbers of people living alone. In Manhattan, for example, the average number of people in a housing unit was found to be less than two in the 1980 census, lowest in the nation.

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U.S. Publisher Still Influential After His Death

New York Times Service

NEW YORK — William Loeb, who was the outspoken conservative publisher of The Manchester Union Leader in New Hampshire, seems to have lost little political influence since his death in 1981.

A U.S. political group is holding a black-tie dinner in his honor Dec. 11 at a Washington hotel, and the four most active Republican presidential candidates for 1988 are all planning to attend. New Hampshire holds the first presidential primary election.

Vice President George Bush will head the program with a tribute to Mr. Loeb. Though Mr. Loeb's reference in the 1980 primary campaign to "the sort of below-the-belt filthy political tactic that you can always expect from the hoiter-than-thou sanctified liberal news media and their candidates such as George Bush."

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For Armero Refugees, a Desperate Search

By Bradley Graham
Washington Post Service

GUAYABAL, Colombia — They wander dusty roads searching hospitals and morgues for relatives who disappeared in the flood. Or they simply sit, staring into the distance from makeshift tents or from the doorsteps of the charitable who have given them shelter.

They are the more than 50,000 lost people of Armero and other towns ravaged by last week's monstrous mud flows that were triggered by a volcanic eruption.

Without homes, without families, without jobs, the haggard refugees live an existence as empty as the neighborhoods, now engulfed by mud and barren of life, that they were forced to flee or were swept away from.

Colombian authorities have held out to them the hope of new prefabricated houses, probably not in Armero where the extent of damage and death makes reconstruction impracticable, but possibly here in Guayabal, the closest town north of the destroyed city.

There has also been talk in the press of a special economic-aid package for survivors, but nothing definite has come of that yet.

For the moment, life for those fortunate enough to have narrowly escaped a disaster that killed 25,000 people is an arduous, disorienting, often lonely day-by-day affair.

The primary objective of many is to locate other family members who may have survived a flood that tore parents from children and from each other.

Government and volunteer agencies have prepared long lists of the dead and injured in Bogotá, but many of the victims have not been identified and so are posted merely as "N.N." meaning "No Name."

As a result, some of those looking for relatives travel from town to town in central Colombia, scurrying survivors at rescue centers.

Henry Gómez Nieto, a 30-year-old coffee grower from Armero, was here Tuesday asking about his sister Miriam, a bacteriologist, who vanished in the flood. He had checked the lists in Bogotá and had stopped at the hospital in Manizales up the road.

Having found no trace of her yet, he was on his way back to Armero, about four miles (six kilometers) to the south, to pick his way through the ruins of their home, if he could find the spot in the sea of mud covering the town.

Another Armero survivor, a construction worker named Guillermo



The Associated Press
A volunteer in Guyabal, Colombia, washes volcanic mud from Raul Navarrete, a survivor of last week's eruption.

Rodríguez, also was on an odyssey hunting for his 55-year-old father and 20-year-old brother, determined to find them even if they were dead.

"Any way I find them I will take them," he said.

Sitting in a nearby doorway along one of Guayabal's narrow, cracked concrete alleys was a 48-year-old woman whose badly scratched legs testified to her escape from the Armero catastrophe. Bertilda Ireno, too, was missing part of her family.

She was convinced that two of her four teen-age daughters had made it out alive, although why she believed this was not clear. She had endured the mud flow by holding onto the top of a door frame.

While talking to visitors Tuesday afternoon, she suddenly thought she spotted her two daughters down the street. Moments later, Mrs. Ireno realized the girls were not her daughters, and broke into tears.

Sandinists Report Victory In 5-Hour Battle With Rebels

The Associated Press

MANAGUA — Sandinist soldiers backed by military aircraft have killed 41 rebels in a battle for the city of San Juan Domingo, 125 miles (202 kilometers) east of Managua, the Defense Ministry reported.

The ministry said Tuesday night that the rebel attack was repelled in a five-hour battle. It said two government soldiers had died.

Much of the fighting between the rebels and government troops involves scattered skirmishes, and the army normally calls for air support only when a major battle is developing or an important population center is threatened.

In Washington, the U.S. House of Representatives on Tuesday approved a bill that allows the Reagan administration to send aircraft and ground vehicles to the Nicaraguan rebels as long as the equipment is not equipped "to inflict serious bodily harm or death."

The bill also would provide sophisticated radios to the rebels, but would continue a ban against the Central Intelligence Agency advising or training them.

The Senate is expected to give the bill final approval later this

week. It will then go to President Ronald Reagan for his signature.

Congress agreed last summer to resume \$27 million in "nonlethal" aid to the rebels and permitted the CIA to share intelligence with the rebels.

The bill approved Tuesday clarifies those provisions and slightly loosens constraints on U.S. aid. It allows the CIA to give the rebels special secure radios and train them in transmitting CIA-supplied intelligence.

In Panama, representatives of the Contadora group, comprised of Mexico, Venezuela, Panama and Colombia, continued peace talks Wednesday aimed at narrowing the differences between Nicaragua and its U.S.-backed neighbors.

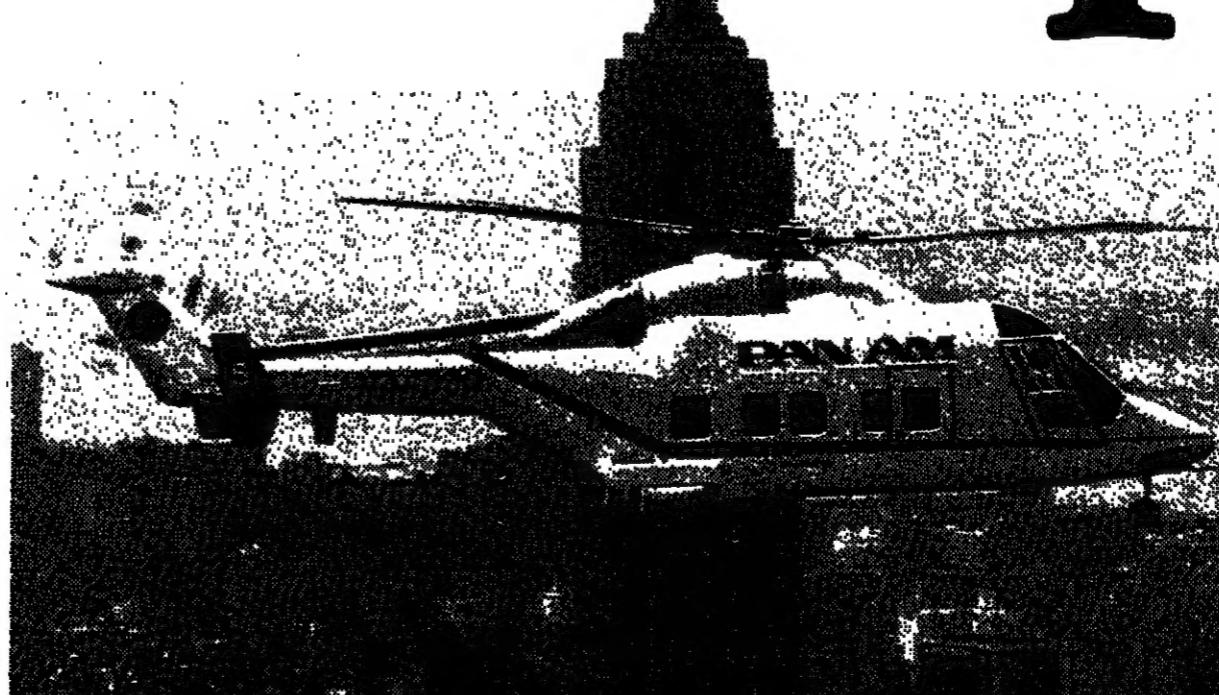
A draft peace plan proposed by the Contadora group two months ago would commit the five Central American countries of Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica to immediately freeze arms purchases and cease further military buildup.

As the new talks began Tuesday, Nicaragua reiterated that it would not accept those conditions as long as the United States continued to back the rebels fighting the Sandinist government.

The Senate is expected to give the bill final approval later this



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SCIENCE

Arming the Nose to Supplement Natural Wintertime Defenses

By Harold M. Schneck
New York Times Service

EVERY winter the human nose is besieged by germs. This year, through new medical research, the nose is being encouraged to fight back.

The counterattacks include experimental vaccines and drugs given by nose drop or aerosol and strategies to bolster the respiratory tract's natural defenses against infection. The inner surfaces of the airways have also become a target for drugs to treat diseases that have little to do with the respiratory system itself.

The upper respiratory tract is one of the great natural battlegrounds between viruses and the human body because the nose is an important natural gateway. Every day more than 2,500 gallons of air flow through an adult's nose, much more if the person exercises heavily. Riding on that air come all the viruses, bacteria, and other particles in the vicinity.

The pressures of evolution have given the human air passages a potent set of defenses. Mucus traps many particles. Farther inside are "hurdle-like cilia that cover some of the surface tissues like beds of waving grass sweeping out any particles big enough to catch. The pink, velvety mucous membranes that line the airways have other defenses, too. Protective antibodies lurk in their surface layers. Scavenger cells cruise the territory to engulf invaders and destroy them with powerful chemicals.

But even a person with normally robust natural defenses does not win every skirmish at the border. Colds, influenza and many other infections occur when the defenders fail to head off the invader. For many such invasions vaccines have been the best answer. Most vaccines are given by injection or by mouth, but the nose is becoming an attractive site.

The purpose of a vaccine is to make the body produce antibodies that defend against the virus or

other agent of infection. Vaccine put into the nose is particularly good at producing antibodies in the tissues lining the upper respiratory tract. Virus experts are hopeful about nasal flu vaccine because the virus enters through the nose and would presumably be a good target for local antibodies there.

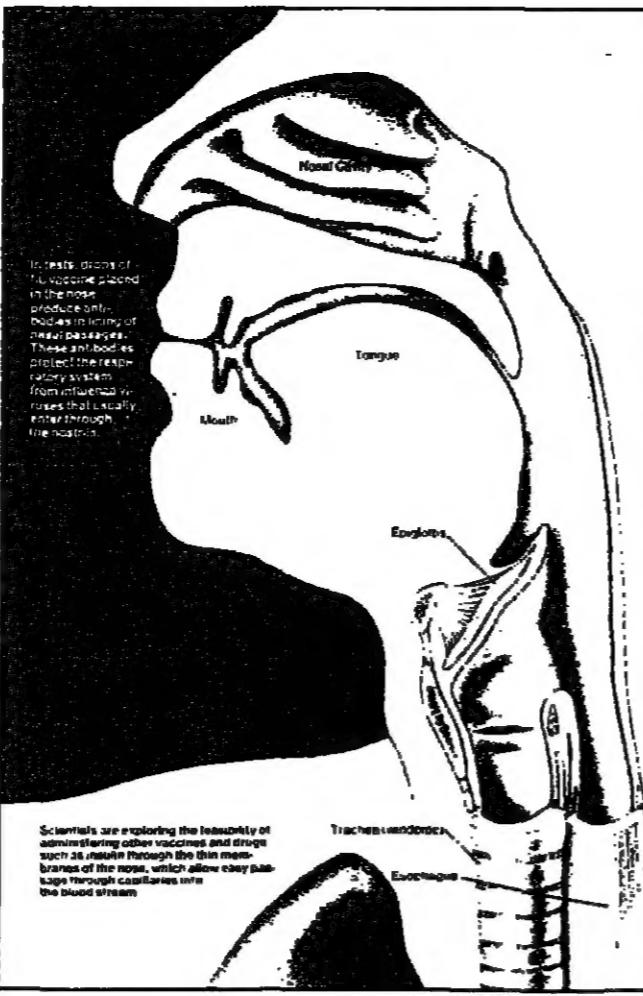
Conventional flu vaccine consists of inactivated viruses given by injection. Nasal flu vaccine employs live viruses. Some experts hope it will evoke immunity that lasts as long as a natural flu infection. If so, it might have to be given every three to five years instead of annually.

THE nasal flu vaccine has been developed from viruses grown by Dr. John Massab, of the University of Michigan, whose success rested on an old trick — growing the viruses at far lower than normal temperature — and on some of the latest tools of molecular biology. He has grown viruses that are just like the natural disease-causing type on the surface but are totally disarmed on the inside.

The vaccine's development and testing have been financed by the National Institute of Allergy and Infectious Diseases part of the National Institutes of Health, in Bethesda, Maryland. Early tests showed the vaccine safe and effective in producing antibodies, according to reports by scientists at the University of Rochester in New York, the University of Maryland, Vanderbilt University in Tennessee, Marshall University in West Virginia, and the institute.

A large trial of the vaccine's ability to prevent disease in a community is beginning in Nashville, in a five-year project by Vanderbilt that is financed by the institute. If the results are as good as scientists expect, the United States' preparations for flu seasons may change.

Key questions are whether the nasal vaccine is more effective than injected vaccine, whether the immunity lasts longer and whether



the public will be more willing to take nose drops than the conventional shot in the arm. "We know that antibody is locally synthesized and locally present within the nose," said Dr. Kathryn M. Edwards, head of the project. "We do not know how effective this vaccine is when compared with the shot."

Last week, Dr. Edwards' team gave the vaccine to 150 children and adults. They plan to give it to

300 people before the flu season arrives by early winter. In 1986, the team will expand the number of vaccine recipients to 3,000. Each volunteer gets nose drops and injections, but one is a placebo. After the season, the doctors will determine who got what and which is most effective.

The nasal vaccine is derived from the same two varieties of influenza A that make up the conventional vaccine. Dr. Massab said he had recently produced a promising influenza B vaccine virus but it will not be ready for use in humans until next year.

At Baylor College of Medicine in Houston, Dr. Robert B. Couch and colleagues have tested the nasal flu vaccine thoroughly in college students and are now giving it to high risk groups: the elderly and the very young. Children are also important because they spread infections from family to family. Widespread use of vaccine among children might help prevent epidemics, and nose drops are a quick,

convenient, inexpensive way of giving it.

In closely related research at Baylor, Dr. Vernon Knight is testing antiviral drugs given by aerosol spray. For years he has been a leader in research on the relationship of very fine aerosols to infection.

Many viruses, including those of flu and the common cold, are thought to be spread by airborne particles. How small must the particles be? How efficiently do they seed infection in the respiratory tract? The Baylor group has studied such questions in at least 20 viruses.

Now they are studying the delivery of drugs and vaccines by aerosol spray. Dr. Knight's group has developed a machine, little bigger than a portable typewriter, for delivering extremely fine mists to the human respiratory system. The particles in the mist are a fraction of the size of a red blood cell — so small, Dr. Knight said, that they penetrate every portion of the system, from the nose to the bottom of the lungs.

He believes antiviral drugs can be given in this way with great efficiency. The Baylor group is working this year on ribavirin, a drug believed to hold promise for treating and preventing infections with influenza A viruses. This and other drugs given by aerosol spray are also being tested against two other viruses — respiratory syncytial virus and para-influenza virus — that cause serious illness and sometimes death in the very young.

Probably the most common infection of the human nose and throat is the cold. More than 100 viruses of the class called rhinoviruses are known to cause the sniffles and sneezes of the cold. There is no vaccine and no accepted cure.

Here, too, Dr. Knight sees his fine-particle nasal spray as a useful vehicle. He has found an experimental drug called eoxivirone to be "fabulously active against all rhinoviruses" in the test tube, but it is relatively insoluble and therefore difficult to use effectively in patients. Through a collaborative project of Baylor, Eli Lilly & Co. (developer of the drug) and the Clinton Foundation, a private philanthropic agency, Dr. Knight is studying the drug's effectiveness when sprayed into the nose in the fine mist he has studied for years. He says there are no results yet.

In the book "Immunology of the Lung and Upper Respiratory Tract," published last year by McGraw-Hill, Dr. John Blennerstock of McMaster University in Hamilton, Ontario, argues that inoculations both by injection and by nasal spray might be better than

either alone because the dual attack would make the most of local antibodies in the nose and circulating antibodies in the blood.

Modern research in immunology, summarized in the book, credits the respiratory tract with three levels of defense: immune exclusion, regulation and elimination. The agents of this defense are several kinds of antibodies, both local and circulating; several kinds of defense cells, such as scavenger cells called macrophages; and a constellation of other substances. One of these, the virus-fighting substance interferon, is also being studied as a drug given by nasal spray against the common cold. Some scientists believe it may be most effective if given together with a synthetic antivirus drug.

Dr. Aharon Yerushalmi of the Weizmann Institute of Science, in Israel, has tried a different strategy against the cold virus that requires no drug. Basic studies have shown that rhinoviruses do not grow well at high temperature. The scientist concluded that delivery of moist heat to the nasal passages might abort a common cold infection, and a device called Rhinotherm has been developed to deliver vapor at 107 degrees Fahrenheit (41.67 degrees centigrade). Doctors who developed it in Israel say that its regular use can hamper the virus and shorten the duration of the cold.

Nose drops and sprays are an old story as devices to reduce nasal congestion, but the uses of this prominent gateway into the body have been expanding in recent years. Steroid drugs have been given by nose to cope with allergies, and other drugs for a variety of medical purposes.

Several years ago, Dr. Albert Sabin tested a nasal measles vaccine abroad, with favorable results.

This week, representatives of the Centers for Disease Control, the World Health Organization, the Pan American Health Organization and the government of Mexico are meeting in Atlanta to explore the possibility of using such a vaccine in Mexican children.

Last week, scientists at Harvard's Beth Israel Hospital in Boston and at a commercial company, California Biotechnology Inc., announced that they had received government approval for tests in humans of insulin delivered by nasal spray. The preparation, developed by Dr. Jeffrey Flier and Dr. Alan Moss of Harvard, is human insulin aided by a substance that enhances absorption directly into the bloodstream through the thin nasal membranes.

IN BRIEF**Platypus Has Electrical Food-Finder**

SYDNEY (Reuters) — Australian scientists say experiments show that the duck-billed platypus uses electrical detection to catch its fast-moving prey — mainly shrimp and frogs. When small batteries and dead shrimp were thrown into laboratory tanks, platypuses ignored the shrimp and snapped up the batteries, researchers said.

The egg-laying, web-footed mammal, which can stay under water for up to five minutes, swims with its eyes and ears closed, and scientists had long wondered how it found its food in streams along Australia's east coast.

Electron microscope analysis of cells from a platypus head at the Darmstadt Technical Institute in West Germany had revealed what the experts believed were receptors for electric signals. Chris Tiedemann, curator of the Australian National University Zoology Museum, said this discovery was confirmed in the experiments at his laboratory.

Due to Reversed Vasectomy Infertility

BOSTON (AP) — Newly discovered changes in the testes of men who have undergone vasectomies may explain why 30 to 60 percent of such men remain infertile even after the operation is reversed, researchers at Johns Hopkins University say.

Dr. Fay F. Marshall, one of the researchers, said that though men "shouldn't be getting a vasectomy if they have any real doubts about whether they might want it reversed," requests for reversals are fairly common, usually from men who divorce and remarry.

Dr. Marshall said the "subtle" changes the researchers found did not affect sexual performance or production of sex hormones. The study was directed by Dr. Jonathan P. Jarow and published in the New England Journal of Medicine.

New Monkey Virus Linked to AIDS

WASHINGTON (AP) — African green monkeys are carriers of a newly discovered virus that closely resembles the one believed to cause AIDS, a finding Boston researchers say means the monkeys may be good models for studying the human disease.

Researchers at the Harvard School of Public Health said in a report in the journal Science that the virus's similarity to the human AIDS virus supported the contention that acquired immune deficiency syndrome originated in recent decades in Africa and might have been passed from monkeys to humans.

Related viruses have been discovered in other monkeys; one, called STLV-3, is known to cause a mild AIDS-like disease. The new variation of STLV-3 was isolated from seven captured green monkeys. P. J. Kamhi and Max Essex of Harvard and J. Alroy of Tufts University Medical School said the findings were worrisome because green monkeys were used in preparing a number of human vaccines, including much of the world's oral polio vaccine, as well as for drug products, biomedical research and disease diagnosis.

Ancient Ice Thinner, Analysis Shows

LONDON (NYT) — It has long been assumed that ice sheets such as those covering Greenland were thicker in the ice ages than today, but an analysis of ice obtained by drilling to bedrock through the crown of the Greenland ice sheet and through the ice cap on Canada's Devon Island suggests that the ice may have been thinner.

Ice formed in the last ice age was considerably softer than ice formed more recently from snow, the analysts showed. Neil R. Reeh of the Geological Survey of Greenland reported in the British journal Nature that ice formed in the ice age flowed three to four times more readily than that above it.

Even though the ice sheets became extensive, because the ice flowed more readily than today their central regions hardened the accumulation rapidly. The underlying layer of more plastic ice became thinner and the modern, slower-flowing ice above it thicker.

As a result, Dr. Reeh proposed, the rate at which ice flows to the sea is slowing. Softness of the ancient ice has been attributed to the smaller size of its crystals and their more vertical orientation. The ice is also more contaminated with particles; the ice ages were marked by extensive dust storms.

Voyager-2, Near Uranus, Spots Hint of Ring

The Associated Press

PASADENA, California — Voyager-2, moving toward a January rendezvous with Uranus, has detected faint hints of one of the dark rings around the planet, heartening scientists who weren't sure they would be visible.

Television cameras on the space probe, now 1.8 billion miles (3 billion kilometers) from Earth, have detected the outermost and widest of nine rings surrounding the solar

system's third-largest planet, a deputy project scientist, Dr. Ellis Miner, said at Jet Propulsion Laboratory in Pasadena.

The ring is 12 to 60 miles wide, he said. The project manager, Dr. Richard P. Laeser, said the ring appeared as a slight brightening against the darker background of space in long-exposure, computer-enhanced, still television pictures. Dr. Laeser said the pictures were "so tenuous it takes a prac-

ticed eye to even see anything," Voyager-2, which with Voyager-1 explored Jupiter, Saturn and their rings and moons from 1979 to 1981, is 54 million miles from Uranus, approaching at 41,000 miles an hour. It will make its closest approach of 66,000 miles Jan. 24, becoming the first spacecraft to explore the planet.

The rings were discovered in 1977 when Uranus passed in front of a bright star.

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e Thinner. Analysis Shows

Economics: Mastery By Stopgap Solutions

By Uli Schmerzer

ROME — Italy's economy is permanently on the operating table. But whenever the surgeon is ready to intervene, the electricity fails, the nurses go on strike or an instrument is missing.

Yet somehow, the patient manages to stay alive.

This is due both to a robust constitution and to a native ingenuity that invents stopgap measures to last until the next attempt at major surgery.

So, when Prime Minister Bettino Craxi's five-party coalition, one of the most stable in postwar Italy, collapsed following the Achille Lauro affair last month, it appeared at first that it would end yet another government attempt to cure the patient's chronic ailment: a public deficit that this year exceeded its target of 96 trillion lire (\$50.6 billion) by 20 trillion lire.

Just three weeks before the government resigned, Mr. Craxi's cabinet proposed a 1986 budget that included unpopular welfare cuts and tax increases designed to maintain next year's public-sector deficit at the same level as this year's, that is, at 15.6 percent of gross domestic product.

And when Mr. Craxi returned to office after reconstituting the same five-party coalition, the new government pledged to push through the proposed financial remedies before Dec. 31.

Mr. Craxi intends to cut free medical care for all but the poor, drop family benefits for the first child, reduce lavish pension payments and much abused public transportation aid while raising education fees and taxes for the affluent.

On paper it looks plausible, although most economists feel it falls well short of what is required. Still, the government predicted that the plan would save 5 trillion lire and stimulate economic growth by between 2 percent and 3 percent in 1986.

More important, the program, coupled with the privatization of certain divisions within state companies, would reassure pessimists, such as the International Monetary Fund. They have warned that Italy's rising public-sector deficit is not only a time bomb for the economy but also is responsible for its main ailments — high interest rates, a nagging inflation rate (8.8 percent for the year ending September 1985) and the instability of the lira.

Political pundits feel that Mr. Craxi's return to power was prompted more by economic expediency than by political harmony. It was feared that another prolonged government crisis and a new administration would jeopardize

(Continued on Next Page)



Alba Jealously Guards Its Truffle Fame

By Kate Singleton

MILAN — "Whoever says 'truffles,' utters a great word which arouses erotic and gastronomic memories among the skirted sex and memories gastronomic and erotic among the bearded sex."

Anthelme Brillat-Savarin had made many tacit inquiries before writing this in his philosophical treatise on eating habits, "Physiologie du Goût," which was published in 1825.

And if the mere word can conjure up so much, who knows what the truffle itself may do. In fact, a great deal of mystery and folklore surrounds the truffle.

Nero described truffles as "the food of the gods" and Pliny called them "miracles of nature." That is quite a boast for a small, dark, smelly, ill-shaped tuber.

In ancient times, it was believed that truffles resulted from lightning hitting a tree or the earth.

In reality, a truffle is a form of fungus that grows about 4 to 8 inches (around 10 to 20 centimeters) below the ground in parasitic symbiosis with the roots of certain trees, such as oak, poplar, horse chestnut and walnut.

The black truffle, or *Tuber melanosporum*, is the most common and is found from December to May throughout Italy, in much of France, Spain, Portugal, Switzerland, and in parts of Germany, Austria, Czechoslovakia and Yugoslavia.

The white truffle, or *Tuber magnatum*, on the other hand, is rarer and therefore more coveted. It is found from late September to December in northern and central Italy, Yugoslavia's Istra peninsula, the Swiss cantons of Ticino and the eastern part of France.

Truffles are prized for their rich, pungent, earthy aroma and



The cover of "I Tartufi," left. Above, truffle rootling in Alba.

In fact, pigs are the best truffle finders, although they are not regularly used for such tasks because they are difficult to discipline.

In Alba, in the Piedmont region, where the queen of white truffles are found, truffle dogs are bred and trained with care.

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A SPECIAL REPORT

THURSDAY, NOVEMBER 21, 1985

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For Craxi, Question Remains How Long Can Coalition Last?

By Henry Tanner

PARIS — The difficult alliance between Bettino Craxi's small Socialist Party and the dominant Christian Democrats, which has assured Italy's political stability for more than two years, is in turmoil once again.

Tension and mutual suspicion between the two key government parties erupted in the closing hours of the government crisis in which Mr. Craxi was forced to resign over his handling of the Achille Lauro hijacking but bounced back into office with the backing of the Christian Democrats because there was no other ready candidate for the office at the time.

Now the question is being raised again how long the Christian Democrats will be willing to keep Mr. Craxi in office and what will happen when they let him fall.

The alliance has always been a marriage of convenience, dominated more by mutual suspicion than love.

Ciriaco de Mita, the party secretary for the Christian Democrats, made it clear, at the time when Mr. Craxi was first installed in the prime minister's office in August 1983, that he regarded the agreement as limited. No coalition government had ever lasted more than two years, he said then.

Each of the two partners from the start suspected the other of flirting with the Communists.

The notion that an agreement of mutual tolerance — far short of the "historic compromise" of former Prime Minister Aldo Moro and Enrico Berlinguer, the former Communist Party secretary — between Christian Democrats and Communists could give Italy a stable (Christian Democratic) government should the alliance with the Socialists collapse, has cropped up periodically on the Christian Democratic side.

When Mr. de Mita held a discreet meeting with Mr. Berlinguer before the latter's death in June 1984, Mr. Craxi was reported to have been furious.

On the other hand, two weeks



Prime Minister Bettino Craxi addressing the Senate. The Associated Press

ago, when Mr. Craxi made an implied appeal for Communist moderation in the forthcoming budget debate and when he was awarded with loud Communist applause for his tilt in favor of the Palestine Liberation Organization, Christian Democratic politicians and some editorialists immediately charged that he was bent on uncoupling the long-burdened notion of an "alternative of the left," that is, a Communist-Socialist alliance.

Mr. de Mita, as he had in the past, warned the prime minister in

press interviews that the Christian Democrats could not be expected to keep backing him if he used their support to build his own political strength outside the coalition.

Mr. Craxi is unlike any other prime minister in postwar Italy. He has been in power for two years and three months, which is a record. He is the first Socialist to hold the office and only the second prime minister — after Giovanni Spadolini, a Republican — not to be a Christian Democrat.

He has been an energetic, even

commanding head of the five-party coalition, which also includes the Republicans, Liberals and Social Democrats.

His government has managed to reduce inflation below 9 percent, although just barely, and has promulgated a law under which thousands of retail stores and small businesses are paying taxes for the first time.

When the Communist Party and the General Confederation of Labor, the country's most powerful union, refused to agree to a cut in the sliding wage indexation, he forced the unpopular measure through by decree. This was an unprecedented action, and it goaded the Communists into making their worst political blunder in many years: They called and catastrophically lost a referendum through which they had hoped to reverse the measure.

In a country of multiparty governments where the art of politics traditionally consists of an unending balancing act between conflicting party interests, he has been assertive and self-centered. Often, he has seemed to be wielding power as if he commanded an unassailable majority rather than being the head of a small party that has never polled much more than 11 percent of the vote in a national election.

At times he has been as tough in dealing with his coalition partners as he is often ready to do battle with the Communists or with newspaper editors who dared to criticize him.

His strengths, as well as the flaws of his personal style, were evident in his handling of the Achille Lauro crisis. His actions were quick and decisive. Although he is one of the most pro-American and pro-NATO politicians in Italy, he ordered Italian troops to prevent American soldiers from getting to the Egyptian airliner that U.S. planes had forced to land on a North Atlantic Treaty Organization base on Italian soil.

When he had to resign after three Republican ministers quit the cabinet,

(Continued on Next Page)



Fellini's "Fred and Ginger," above. Below, Ettore Scola directing Mastroianni and Lemmon in "Macaroni."

Film Industry Pulls Out Of Its Longest Crisis

By Ludina Barzini

ROME — The Italian movie industry is back on its feet and ready to fly again, led by a small army of believers who did not give up in the face of difficulties that appeared, at times, insurmountable.

Over the past six years, Italian cinema often was said to be "in agony" or "dying." The malaise was profound.

Weakened by a crisis both in the film industry and the national economy, private filmmaking was disabled by the spiral of production costs from double-digit inflation and a national currency troubled by a high dollar.

A massive closing of cinema houses followed as lavish home-screen programming was offered by the very competitive public and

private broadcasting systems. Film attendance and production declined and foreign markets were lost.

Then, last spring, after years of discussion, an entertainment and finance bill was passed allocating about 5 billion lire to cinema through 1987.

Financial aid is also being made available with an interest rate of 3 percent. Yearly allocations will be available to all sectors of Italian cinema — production, distribution, theaters renovation, modernization and film facilities.

A tax measure included in the finance bill affords a shelter of 70 percent on all taxable revenue reinvested in continued film production. The tax shelter is limited to

(Continued on Page 13)



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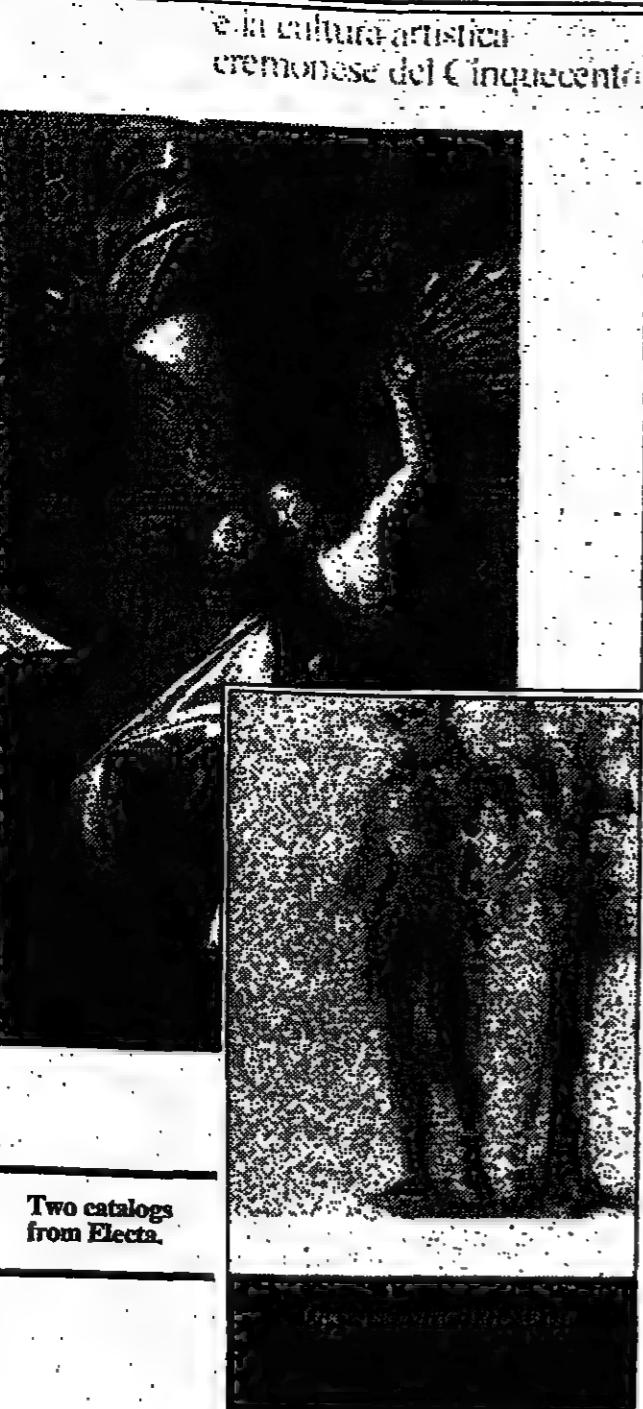
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A SPECIAL REPORT ON ITALY

GIACOMETTI

War of the Art Book Publishers: Stakes Are High

By Kate Singleton

MILAN—Catalogs for art exhibitions are often daunting as well as attractive. When they weigh 3 kilos (6.6 pounds) and cost more than \$25, you simply have to start being selective in your purchases, particularly if you are traveling. But this, in Italy, is not always easy. Temporary art shows have multiplied phenomenally in the last few years, and those nice shiny volumes certainly have their appeal. They do for the publishers, too. In fact, they can be quite big business.

The Italians have been printing art books for local and foreign publishers for decades now. They are experts at color separation and in printing can offer unbeatable quality for the price. But catalogs are something different. Or rather something more. They require the same price/quality relationship, plus maximum flexibility and speed in production. First of all, in the case of public tenders for major catalogs, extremely swift cost estimates have to be made, and this necessarily in itself rules out a number of would-be competitors. Then, exhibition organizers are wont to make last-minute changes in catalog copy and illustrations, to say nothing of handing some of it in so close to the opening date that nothing short of a miracle will have it there, bound in with the rest, at the inauguration. There is money in these miracles, however, and that is why it is worth performing them.

For Italian publishers, the golden age of the catalog was about seven years ago. That was when center-left local governments first threw themselves into a spate of unprecedented cultural activism. This in itself needs explaining. Whereas in other countries exhibitions are mostly organized by the museums where they take place

(the Museum of Modern Art or the Metropolitan, the Louvre, the British Museum, etc.), in Italy they are largely organized by the department of culture of the municipal government; that is to say, by politicians. The directors of these *Assessorati alla cultura*, or departments of culture, are in office for four years at the most. Usually less. This means that in order to value their personal merits and ensure political promotion, they put on as much as possible that is eye-catching in a short time. Exhibitions galore, therefore, with large catalogs as their tangible witnesses.

Back in those early and happy days, the publisher who produced the catalog for the show had some very concrete advantages. In the best cases, the municipality would buy a number of copies for its own prestige handouts and the payment would just about cover production costs. The remaining "n" thousand copies sold to the public were thus pure profit. But even without this, an exhibition is an attractive sales point. With respect to a normal bookshop, it increases the publisher's gains by about 35 percent, since it cuts out the costs of promotion, distribution, returns and discounts. This means that the cover prices can come down, and sales hopefully go up.

The inventor of the art catalog in Italy was the art publisher, Electa, now based in Milan. In 15 years, Electa has produced 650 catalogs and built up unmatched experience. It is now working for important foreign clients as well: the Metropolitan Museum in New York, for "The Age of Caravaggio," the Biennale de Paris, the Centre Georges Pompidou in Paris, to name but a few. Electa can boast a highly agile productive structure because it relies heavily on external

collaborators unbound by union rules regarding overtime and so forth. This makes miracle-performing much easier.

In recent years, however, a number of other publishers have tried to counterbalance the decline of the fiction and nonfiction markets by homing in on the new bananza. Gabriele Mazzotta already had some experience in art publishing and runs a sufficiently small set-up to maintain the necessary productive flexibility. He has managed to establish his foothold. The art printers Amilcare Pizzi tried to turn publisher under the name Silvana. After a couple of attempts, the firm discovered that catalog publishing involves editorial skills that cannot be improvised overnight, so it backed down. Garzanti Editore, which has a splendid printing works where it produces many art books for foreign publishers, found that it simply was not geared to making such speedy and accurate cost estimates, and therefore decided not to get involved.

But the publishing giant Mondadori, with its array of magazines and 900 book titles a year, proved

to be more determined. Three years ago it lured away some disgruntled and presumably underpaid Electa hands and set up its own art catalogs unit. It is now publishing from 10 to 15 catalogs a year. But in so doing it has completely upset the status quo; or so the old-timers say.

What Mondadori has really upped for the catalog publishers is not so much the status quo as the profit margins. This it has done by offering to pay royalties on the catalogs sold in the exhibition, and advanced royalties, to boot. With the recent cutbacks in public funding for the arts, local authorities have been only too happy to seize such offers of indirect financial support. Mondadori calls this collaborating over the exhibition project as a whole; they claim that they are paying for the necessary restoration of the exhibition venue, or transport costs, or insurance, in exchange for the right to publish the catalog. Investment of this sort dramatically reduces the profitability of the catalogs as such. However, it may have advantages in terms of prestige for other aspects of the company's output. This is not the

case for those who are predominantly art publishers and do not need any added prestige.

The catalog battle is now in full swing, and with some fairly ludicrous results. Electa, for instance, in order to keep out intruders from the Florence area, recently agreed to pay 36-percent royalties (an investment of 1.5 billion lire, or \$846,000) on the catalogs of a series of contemporaneous exhibitions in Tuscany on Etruscan civilization, although it was rightly convinced that, financially, the event as a whole would be a failure.

Electa is now working on alternative strategies. Using tactics successfully employed by the much smaller Mazzotta, it is aiming at arranging the exhibitions as well as the catalogs. The local authorities will thus be offered a complete package that they will simply have to schedule and house. This may not be altogether a bad thing. It could just be the beginning of a move away from those megashows and megacatalogs that in recent years have proved indigestible even to those with the most avid cultural appetites.

A Giacometti catalog.

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Benvenuto di Giovanni - Detail of a hand-painted wooden cover of a Tax Book of the Bank of Siena for the year 1472

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A SPECIAL REPORT ON ITALY

In Winter, Tourists Turn to the Mountains

By Paul Bompard

ROME — For Italy, tourism is very big business, the most important single source of foreign exchange.

According to official estimates, 1985 will bring about \$10 billion worth of foreign currency into the country, a marked improvement over last year. Contributing to this result was a long hot summer and a strong dollar.

Prospects are good for the winter season as well. The tourist stream begins arriving in April and May, and reaches a peak in June, July, August and September, tapering off by October. But a healthy trickle lasts through the cold months, encouraged by lower prices, less crowded hotels and restaurants, and the absence of the tourists themselves in museums and other places of interest.

But if Italy is renowned for its sun-drenched beaches and islands, and the artistic and architectural wealth of its cities, it can also be an ideal setting for a mountain holiday, either in summer or winter. Now, as the summer holiday season is over, the attention of travel agents and holidaymakers is turning to the ski resorts.

According to the national tourist office, there are 357 ski resorts in Italy, many grouped in areas that include several towns or villages. They stretch from the Alps and the Dolomites, south along the Apennines to as far as Calabria and Sicily. In theory, at least, there should be ski slopes within an hour-and-a-half drive of anywhere in the country.

But the best skiing remains in the north, in the Veneto, the Alto Adige, Valle d'Aosta, Piedmont and

Lombardy. It is in these areas that foreign visitors outnumber the Italians. For the 1982-1983 season, the most recent for which official statistics are available, there were 9.45 million foreign tourist days against 7.875 million Italian. Both figures may be higher, since small hotels and pensions will sometimes not declare all their guests to avoid taxation. The great majority of foreigners are Germans, followed by Austrians, British and French.

"There are some places," said a Roman ski buff, "where the skiers are virtually all German or Austrian, in the Val Gardena, for instance. An Italian feels practically like a foreigner there." The Val Gardena is in the Dolomites south of Austria.

Of all the Italian resorts, Cortina d'Ampezzo, also in the Dolomites, is the most famous, and was already a favorite holiday spot of Europe's high society when it was still part of the Austrian Empire. Today, it combines tradition and old world charm with 160 kilometers (100 miles) of some of the best slopes in Italy. Cortina d'Ampezzo hosted the 1956 Winter Olympics and is a strong candidate for the 1992 Games.

"At the moment, the 1985-86 season looks good," said Antonio di Pinto of the Cortina Hotels' Association. "Reservations are better than last year and there is an increase of Americans."

The other top ski resorts in Italy are Cervinia and Courmayeur, in the Valle d'Aosta; Madonn di Campiglio in the Trentino, south of Austria and east of Switzerland; and Sestriere, on the border of Piedmont with France.



High above the Valle d'Aosta.

It is in the Sesia area that a company of the Agnelli family, the Fiat owners, is investing more than \$80 million over the next four years to make this Europe's most modern and well-equipped ski resort. An attraction is what is being euphemistically called "programmed snow." Batteries of 450 "snow cannons" most of which are already working this year, will ensure snow-covered slopes whether it snows or not. In simple terms, winter is pumped in at one end and shot out as snow at the other.

"In this way," said Tiziana Nasi, president of the Sestriere Spa Company, "we can ensure adequate coverage even in November, when the natural snowfall is often insufficient." Research by the company has shown that potential demand

for skiing is strong in the early winter, but tends to decrease toward the end of the winter, when there is more snow but people are already looking forward to the summer.

On the whole, prospects for the season are good. "We have made enquiries with hoteliers, shops that sell ski equipment and so on, and the indications are that, snow permitting, this will be a very good year for Italian ski resorts," a Sestriere Spa executive said.

More good news for Italy's balance of payments is that this month, the American Society of Travel Agents held its annual convention in Rome. In the past, the convention has meant a boost for tourism in the country where it was held.

Montedison's Small Steps to Profitability

Sari Gilbert

MILAN — Miracles are as rare in the business world as they are in life. But in recent years, Italian private industry has been blessed by at least two of them: the turnaround of the Fiat automobile company and, more recently, the return to productive and financial health of Montedison, the giant chemical

company. In return, Montedison took over ENI's polypropylene and polystyrene plants and was paid more than \$280 million.

As part of a widespread rationalization plan that was designed in part to reduce its commitment to basic chemicals, Montedison also ended its production of cellulose and nylon fibers on the ground that it could not compete in these mature commodity sectors.

A national and international restructuring program put into effect by Montefibre, the independent Montedison operating company that had been put into receivership in the late 1970s, changed that company's profile, leaving it the largest acrylics producer in Western Europe and a European leader in the polyester sector. In the process, Montedison was able to reduce its labor force by more than 22,000 workers.

Montedison also made concerted efforts to internationalize because it was believed that operations had to be seen in the context of a worldwide market.

In short, this meant playing up the firm's advantages specifically on polypropylene and fine specialty chemicals, to form useful and profitable alliances.

Next, the Montedison portfolio was reviewed. The company's assets were divided roughly into five categories: those to be divested immediately, those to be held as soon as possible, those to be held on to and milked for their cash flow, growth businesses and companies lying in wait whose executive referred to as "the twilight zone."

The first major divestments came from an agreement in March 1983 with Ente Nazionale Idrocarburi, ENI, the state-owned oil group, in which ENI got three of Montedison's five thermoplastic companies and its ethylene manu-

facturing capacity. In return, Montedison took over ENI's polypropylene and polystyrene plants and was paid more than \$280 million.

Having witnessed years of Montedison's problems, some observers treat turnaround talk with skepticism. The company's high debt-to-equity ratio, heavy interest charges and persistent indebtedness — 4.2 trillion lire (\$2.4 billion) in 1984 — raise concern over the firm's financial structure, they say.

But there is little doubt that, as 1985 draws to a close, the company's outlook is decidedly more improved than at any other time in recent memory.

Shorn of its most unproductive branches, restructured, reorganized, rationalized and internationalized, Montedison, since 1982, has drastically cut its losses — to \$47 million in 1984 — while registering annual sales of more than \$7 billion.

But if freeing the company from government interference set the

stage for economic recovery, it was not in itself enough. Under Mr. Schimberni's leadership, a policy has been undertaken that is gradually bringing Montedison back to profitability.

Shortly after taking over as president in 1980, Mr. Schimberni reorganized the company, converting its major operating divisions into seven autonomous companies under the umbrella of the Montedison Spa holding company, which was formally established in January 1981.

This was done for financial reasons as well as to obtain greater management efficiency and flexibility. But it also facilitated new financing for the healthy sectors of the Montedison empire, which, now more visible, could more easily attract investors.

Following a year later, a \$473-million capital increase was formally given to the new company ample funds to finance its changes.

In fact, the transfer of the state's share from the IRI and ENI state holding companies to Gemina, a financial company owned jointly at the time by the Agnelli, Firelli, Orlandos and Bonomi and including hundreds of small shareholders, was followed in early 1982 by the assembly of a new management team that included several non-Italians.

During the 1970s, for example, Montedison was caught in a major economic squeeze. With labor costs at a high, the heavily expanded petrochemical sector was thrown into a tailspin by the energy crisis.

Nevertheless, the weight of government control led management to put politics before profit. This was further magnified by the fact that the giant state holding company, the Istituto per la Ricostruzione Industriale (IRI), controlled many of the banks holding the company's shares.

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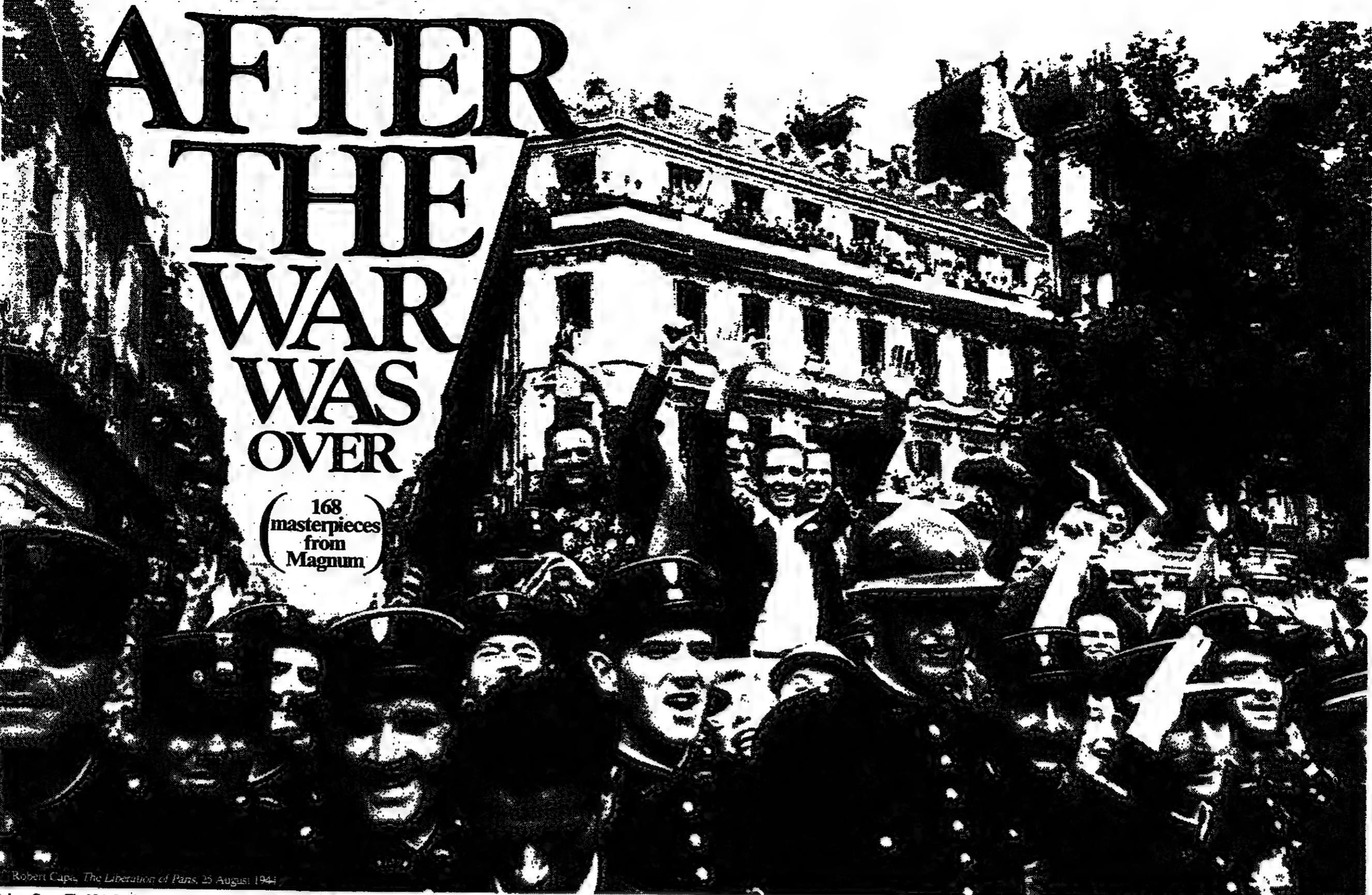
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to Profitability

ization: A Shift
Stock ExchangeRobert Capa, *The Liberation of Paris, 25 August 1944*Robert Capa, *The New Look, Paris 1947*David Seymour, *Arturo Toscanini, 1954*David Seymour, *Disturbed orphan, 1948*Werner Bischof, *In the ruins of Warsaw, 1947*Henri Cartier-Bresson, *The Ascot Train, Waterloo Station, London 1953*Erich Lessing, *Railroad workers, 1956*

Photographs by Werner Bischof, René Burri, Robert Capa, Henri Cartier-Bresson, Elliott Erwitt, Ernst Haas, Erich

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NYSE Most Actives						
Vol.	High	Low	Last	Chg.	Per.	Close
Texaco	62,612	350	342	342	-10	-2%
Church's	24,162	18	17	17	+1	+5%
AT&T	22,105	72	71	71	+1	+1%
SteelCo	15,983	25	24	24	+1	+4%
Penfam	14,672	25	24	24	+1	+4%
PentPr	13,973	24	23	23	+1	+4%
Rover	10,973	24	23	23	+1	+4%
Weyer	10,564	24	23	23	+1	+4%
IBM	9,771	138	137	137	+1	+1%
AMD	9,145	278	264	264	+1	+3%

Dow Jones Averages						
Open	High	Low	Last	Chg.	Per.	Close
JRUS	14,622	14,621	14,621	14,621	+1	+0.01%
UTI	14,530	14,529	14,529	14,529	+1	+0.01%
Comp	58,870	58,850	58,850	58,850	+1	+0.01%

NYSE Index						
High	Low	Last	Today	Chg.	Per.	Close
Composite	114.94	114.27	114.42	114.83	+0.31	+2.7%
Industrials	131.72	131.23	131.57	131.58	+0.05	+0.4%
Transport	99.47	99.26	99.55	99.46	-0.09	-0.9%
Utilities	72.43	72.34	72.35	72.73	+0.30	+4.1%
Finance	72.43	72.34	72.35	72.73	+0.30	+4.1%

Wednesday's NYSE Closing

Vol. at 3 P.M.
Prev. 3 P.M. vol.
Prev. consolidated close

Buy Sales
Nov. 19 180,707 102,452 10,204
Nov. 18 175,322 97,527 9,254
Nov. 17 175,322 97,527 9,254
Nov. 16 175,322 97,527 9,254
Nov. 15 175,322 97,527 9,254
Nov. 14 175,322 97,527 9,254
Nov. 13 175,322 97,527 9,254

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries						
Advanced	Delayed	Unadjusted	Total Issues	New Highs	New Lows	Close
272	241	234	2,341	14	4	2,341
272	241	234	2,341	14	4	2,341
272	241	234	2,341	14	4	2,341
272	241	234	2,341	14	4	2,341
272	241	234	2,341	14	4	2,341

NASDAQ Index						
Week	Class	Year	Avg	Avg	Chg.	Close
300.45	307.11	304.24	280.30	280.30	+2.62	280.30
300.45	307.11	304.24	280.30	280.30	+2.62	280.30
300.45	307.11	304.24	280.30	280.30	+2.62	280.30
300.45	307.11	304.24	280.30	280.30	+2.62	280.30
300.45	307.11	304.24	280.30	280.30	+2.62	280.30

AMEX Most Actives						
Vol.	High	Low	Last	Chg.	Per.	Close
DomeP	484	21	20	20	+1	+4.8%
TM	257	21	20	20	+1	+3.9%
HMEG	2	2	2	2	+1	+50.0%
Ammon	1880	47	46	46	+1	+2.1%
SAF	1558	22	21	21	+1	+4.5%
Gates	1254	21	20	20	+1	+4.5%
Hennings	1254	21	20	20	+1	+4.5%
NETOT	1254	21	20	20	+1	+4.5%
ESCHD	1254	21	20	20	+1	+4.5%
Surfin	1180	14	13	13	+1	+7.1%

NYSE Diaries

Close Prev.
Advanced
Delayed
Unadjusted
Total Issues
New Highs
New Lows

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BUSINESS ROUNDUP

Hamburg May Sell Part Of MBB Stake to BMWBy Warren Geder
International Herald Tribune

FRANKFURT — Hamburg Economic Ministry officials are saying privately that the city-state is prepared conditionally to sell a portion of its interest in the aerospace group, Messerschmitt-Bölkow-Blohm GmbH, to West German automaker Bayerische Motoren Werke AG.

The readiness of Hamburg to sell some of its 18.3-percent interest to BMW could be a determining factor in BMW's quest to obtain a majority stake in MBB.

There have been reports recently that the state governments of Hamburg and Bremen are not interested in disposing of their MBB holdings. However, high-placed Hamburg government officials are intimating that this does not exclude flexibility for Hamburg in selling some of its interest.

Officials in Bremen, which holds only a 3-percent stake, were not available for comment Wednesday.

BMW's interest in acquiring MBB surfaced last week when it was disclosed by Bavarian government officials that the state, which holds a 24-percent share in MBB and seeks a major industrial partner for the Munich-based group, had been holding talks with BMW, also based in Munich, about the

automaker's acquiring a controlling interest in MBB.

A BMW spokesman said the company chairman, Eberhard von Kuehnheim, is preparing a letter to the Bavarian government outlining his board's preconditions for a takeover. The chief condition, he said, is acquiring an absolute majority, 51 percent, of MBB's current equity.

There is some skepticism at the company about that prospect.

Industry sources say the acquisition of 51 percent would cost \$800 million to 1 billion Deutsche marks (about \$306 million to \$380 million).

In a telephone interview, a senior Hamburg Economics Ministry official said that Hamburg would be willing to sell some of its MBB shares if BMW agreed to guarantee job security at MBB operations in the state and if the Bavarian government agreed to sell at least as much of its stake in the aerospace group to MBB.

The governments of Hamburg and Bremen hold, as part of their total interest, a joint 35.3-percent stake in MBB, about 10 percent of which might be considered for sale to BMW, both Hamburg and Bremen officials said.

Bavaria also has a 7-percent direct stake, which could also be included.

Bahrain Wants Banks to Merge To Trim Costs

Reuters

MANAMA, Bahrain — The government has asked five banks to consider merging to reduce costs in the face of a Gulf-wide recession that is eroding the profits of financial institutions, several bankers said Wednesday.

The banks — identified as the Bahrain & Kuwait Investment Group, the Bahrain International Bank, the Bahrain Middle East Bank, the Kuwait Asia Bank and the United Gulf Bank — received a letter this month from the Bahrain Monetary Agency suggesting they combine, these bankers said.

A senior banker said the chairman of the banks would meet next week to discuss forming one institution with a large capital base.

Japan Vows 'Quick' Action on SemiconductorsBy John Burgess
Washington Post Service

TOKYO — Japan, worried by mounting allegations from the United States that its companies are unfairly trading in the electronic chips known as semiconductors, said Wednesday that it would move to settle the issue "quickly and realistically."

The statement followed three hours of discussions between Japanese and U.S. negotiators. Japanese officials declined to disclose the substance of the talks, which appear to have been limited to broad principles.

Before the meetings, the Japanese were reported to be planning to propose setting a "floor price" for semiconductors exported by Japanese companies, in hopes of dampening charges that these companies were dumping or illegally selling below cost, their chips in foreign markets.

Japanese companies sold about \$1.6 billion worth of semiconduc-

Simmons Offers \$580 Million for Sea-Land Corp.

Los Angeles Times Service

VIENNA — Voest-Alpine AG is heading for record losses this year of 3 billion schillings (\$163 million), a spokesman for the government holding company, Österreichische Industrieverwaltungs AG, said Wednesday.

Restructuring into a parent and independent subsidiaries has been successful with two other OIAG companies, Austria Metall AG and Voest's special-steels subsidiary, Vereinigte Edelstahlwerke AG, he said.

Setting up a central parent company to produce the basic materials and independent processing subsidiaries increased efficiency, he said.

"We will still have a loss this year, but it will be less than the parent company losses of 1.95 billion schillings in 1984 and 2.35 billion in 1983," he said, on revenue of 9.71 billion, he said.

VIENNA — Voest Alpin AG spokesman said Voest revenue would be 50 billion to 60 billion schillings this year after 48.1 billion in 1984 and 48.7 billion in 1983.

The OIAG spokesman said losses were being incurred in the new areas where Voest had diversified — special engineering and electronics — while the traditional steel production, at least in the main Linz works, was profitable. A third of Voest's revenue was generated by products it was not involved in five years ago, he noted.

The idea of reorganizing Voest is still tentative, he said. "These considerations are at an early stage, they are just thoughts, there is no plan," he said.

Mr. Simmons has been buying Sea-Land stock on the open market since July, when he disclosed plans to acquire 15 percent of the 23.73 million shares outstanding. As of Tuesday, his Amalgamated Sugar Co. of Ogden, Utah, held about 10 percent of Sea-Land's stock.

Sea-Land's stock, the second most active in trading on the New York Stock Exchange Tuesday, closed up \$2.50, at \$24.375.

Mr. Simmons has been buying Sea-Land stock on the open market since July, when he disclosed plans to acquire 15 percent of the 23.73 million shares outstanding. As of Tuesday, his Amalgamated Sugar Co. of Ogden, Utah, held about 10 percent of Sea-Land's stock.

Trade in the chips, which are used as building blocks in computers, has long caused tension between the two countries. It has escalated this year as the U.S. semiconductor industry has slipped into a heavy recession and begun filing petitions against the Japanese under Section 310 of the 1974 Trade Act.

One petition, submitted by the U.S. Semiconductor Industry Association, alleges that Japan unfairly discriminates against foreign suppliers in its home market. The Japanese deny such barriers exist and say U.S. products are simply not as competitive as the ones made by Japanese companies.

The goal is to create a definition of dumping on which both sides can agree. World prices for semiconductors are plummeting. If a company marks down its prices, noted a Foreign Ministry official in Tokyo, "it's very difficult to know whether that's due to economic conditions or dumping."

One Japanese official said Wednesday that no such proposal had been made, while other officials merely declined to give details of the talks. But Mark E. Foster, the Tokyo representative of the U.S. Electronic Industries Association, said an official at the Ministry of International Trade and Industry, or MITI, had shown him such a proposal this week and had said it would be put to the Americans.

But neither the United States nor Japan is comfortable with this idea, because it means new regulations, and suggests the creation of a cartel and the reimposing of free trade. But it has been used in the past with other products, such as steel.

The goal is to create a definition of dumping on which both sides

Voest of Austria Expects Record \$163-Million Loss

Reuters

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COMPANY NOTES

Barrat Developments PLC, reporting that reduced debt and interest costs and lower overhead are improving its profitability in the ailing British housing market, said it is limiting commercial development and has acquired nine residential development sites in south-east England since July 1.

Hopewell Holdings Ltd. said it sold, at cost, a 5-percent stake in the China Hotel in Canton to Kanematsu Gosho (HK) Ltd. Hopewell paid \$25 million for 25 percent of the hotel, completed in June 1984.

Seattle-First National Bank is negotiating the sale of its assets in Taiwan to foreign banks, with at least three, including Westpac Banking Corp. of Sydney, having offered to buy the assets.

Southern Pacific Transportation Co., which has cut 3,000 employees in the last year, announced plans to eliminate another 10,000 over the next few years through attrition and buy-out plans to be negotiated

with the San Francisco-based railroad's 15 unions.

Volvo of North America, a unit of AB Volvo of Sweden, said it expects sales volume to climb between 15 and 20 percent this year, from estimated sales of \$1.5 billion in 1984, because of more expensive models.

Whitbread PLC said the second half of its 1985/86 financial year, ending March, began well, with warm weather helping the British beer trade.

Zayre Corp., a fast-growing retailer with stores mostly in the eastern United States, reached a tentative agreement to acquire HomeClub Inc., a home-improvement discount chain, in a stock transaction valued at about \$151 million.

THE TOP FRENCH QUALITY FIRMS

COMITE COLBERT
Hermes: Consummate Craftsmanship

Jean-Louis Dumas-Hermes, President

Since Hermes was founded in 1837, its reputation has spread around the world as if its namesake, the messenger of the gods, had carried it himself. This venerable leather-goods firm on the Faubourg Saint-Honoré, whose superb silk scarves are worn like a banner of chic by some of the world's most elegant women, is more than just a shop; it is an institution. From maharajahs to businessmen, queens to schoolgirls, their international clientele comes in search of the unmissable quality and incomparable craftsmanship that are the common denominators of each Hermes product.

"Hermes has outlasted kings, emperors and republics, survived industrial invasions and the age of plastic with harassed travellers who no longer have time to look after their luggage," says Jean-Louis Dumas-Hermes, fifth generation of the founding family and Hermes president since 1978. "And we have done it by an insistence on quality."

In the arcades above the shop, dedicated craftsmen use the same tools and same gestures as their predecessors at the turn of the century as they craft the splendid leathers to the same impeccable standards. In Lyon, where Hermes, as the largest silk producer, weaves the silks for its famous scarves and ties and does its own screen printing, the Hermes silk is still washed in Rhone river water with lard pressing olive oil soap. In Switzerland, they make their own watches; in Limoges, their own porcelain and in Normandy, they blend their own perfume.

Established by harness maker Thierry Hermes, the company turned to making saddles and with the advent of the automobile added sport, hunting and travelling accessories. When one customer complained that her horse was better dressed than she, Hermes responded by creating a couture line. The silk scarf, introduced in 1948, is a legend all by itself. More than 250,000 are sold each year as are 300,000 silk neckties. Recently new lines of household linens and porcelain dinnerware have been added. "In the 19th century, one's image centered on well-groomed horses and superbly liveried carriages," says Dumas-Hermes. "Today your elegance is measured by the several yards of fabric you wear, your fragrance and your home."

Consolidation, then expansion, has always been an important Hermes tenet. "For the last four years, Hermes has shown strong growth, as much in profits as in volume," says Dumas-Hermes. World turnover of \$100 million is divided between perfume, 30 percent, silk items, 30 percent, leather goods, 22 percent and 18 percent split between ready-to-wear, linens, jewelry, etc. With foreign sales now accounting for 50 percent of turnover, the company is concentrating on expansion abroad. New stores open this fall in the United States in Dallas and in Japan at Takashimaya.

As their 150th anniversary approaches, Hermes continues to celebrate the "lorgnon" sense of touch and smell with the caress of cashmere, the perfumed scent of beautiful leathers, the smooth touch of burnished silver and the heady fragrance of the Parfum d'Hermes.

*AN ASSOCIATION OF THE MOST PRESTIGIOUS NAMES OF THE FRENCH ART IN VARIOUS CRAFTS IN PARIS 2^e RUE DE LA HAUMI, 75001 PARIS

AN ANNOUNCEMENT BY THE COMITE COLBERT

Dutch Disclose Details of Market-Opening Plan

Reuters

THE HAGUE — The Netherlands disclosed on Wednesday details of its plan to fully deregulate and open its capital markets by Jan. 1, to keep pace with liberalization in competing financial centers.

Finance Minister Onno Ruding told a news conference that the liberalization measures, including a range of new free-market financing instruments and an easing of constraints on the activities of non-Dutch institutions, would come into effect Jan. 1.

Full liberalization was needed to keep pace with similar developments in such competing centers as West Germany, he said.

Under the new measures, some details of which leaked out of the Finance Ministry last week, all existing restrictions on the issue and redemption of domestic guilder loans and Euroguilder notes issues will be abolished.

Floating-rate notes will also be permitted, but index-linked loans and zero-coupon bonds will not be introduced, contrary to what was speculated on in recent press reports on the deregulation, Mr. Ruding said.

Although Dutch markets are already relatively free, with no capital restrictions and borrowing in any currency allowed, the capital

market will be further opened to foreign investors.

The current limit of 20 percent on the amount of a loan that a foreign bank may underwrite is to be increased to one-third of the total, Mr. Ruding said.

He added that, contrary to speculation, only registered and approved Dutch subsidiaries of foreign banks, and not wholly foreign institutions, would be permitted to lead-manage loans.

The Dutch government expected that the latter measure would facilitate the activities of Dutch banks abroad, Mr. Ruding said.

The Dutch measures were designed to encourage other governments to reciprocate with a similar easing of constraints on the activities of foreign institutions and thereby further develop international financial cooperation, Mr. Ruding said.

The Netherlands hopes that

these steps will provide a good example for other countries and in particular, its partners in the European Community to follow, Mr. Ruding said.

Mr. Ruding said the need to preserve and further strengthen the position of Amsterdam in the face of mounting competition from other markets was a major factor behind the deregulation plans.

Mr. Ruding said he expected the range of new instruments to bolster Amsterdam's position as a major money-raising center in Europe,

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BANKING/SWITZERLAND

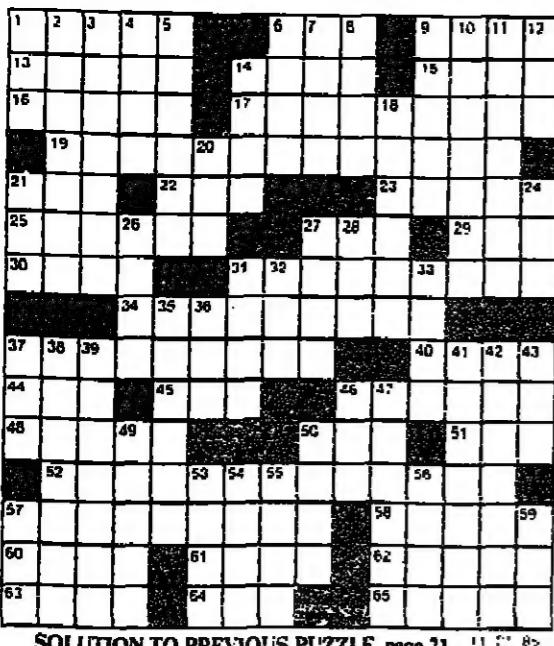
THE BANK FOR INTERNATIONAL SETTLEMENTS, an international institution in Basle, is looking for an individual for its banking department with following qualifications:

- 25 to 30 years old,
- fluent knowledge of English and French,
- university or business school graduate,
- practical experience with computers,
- knowledge of financial markets with particular reference to the US domestic market and/or financial innovations.

The individual will be required to help develop the management of the BIS's investments. He or she will be part of a small team and will be recruited on the basis of an initial 2-year contract.

The work in the BIS is interesting and the working conditions, with a multinational staff, are stimulating and pleasant. The bank offers generous remuneration, health insurance and other benefits.

Please send your application, which will be treated in strict confidence, together with detailed curriculum vitae and recent photograph to:



SOLUTION TO PREVIOUS PUZZLE: page 21

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



- ACROSS**
- 1 Open two interlocking tabs
 - 6 Butter in a pasture
 - 9 Support for 10 Down
 - 13 " — masquer, non fit"
 - 14 Dark red
 - 15 Machu Picchu dweller
 - 16 Evasive trick
 - 17 Magnetized
 - 19 TV soap opera
 - 21 Nigerian native
 - 22 Shoe width
 - 23 Stropping person
 - 25 Modifies
 - 27 Haggard title
 - 28 F. D. R. measure
 - 30 Cozy place
 - 31 " — child has to work for its living"
 - 34 " — in Love," Dion hut
 - 37 Sign that delights misnomers
 - 40 Mite: Comb. form
 - 41 Teammate of Bill Terry
 - 45 Poetic contraction
 - 46 Cell union
 - 48 Boutique
 - 50 First name of a Ugandan exile
- DOWN**
- 1 Downs' partner
 - 2 Outstanding 3-syllabic
 - 4 " — play in Pearls"
 - 5 Cheater or pilgrim
 - 6 Actress Gordon, 1896-1985
 - 7 Play opener Blackbird
 - 8 Phone or wave preceder
 - 10 Aerial
 - 11 Set
 - 12 Tyke
 - 14 Tempo
 - 18 Stick
 - 20 " — , George," Pavarotti film
 - 21 Fleming or Smith
 - 24 Headland
- © New York Times edited by Eugene Mikolic

DENNIS THE MENACE



"THE GREAT OUTDOORS WASN'T."

JUMBLE

THAT SCRABLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to a square, to form four ordinary words.

CAMP

A place where people go to sleep outdoors.

SUROE

A person who is ill.

HERITH

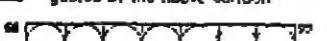
A person who is ill.

BLUMFE

A person who is ill.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:



Answers tomorrow

Yesterday's Jumble: TRACT LLAMA SCENIC TRUSTY

Answer: What those old sailing vessels must have provided—MAST TRANSIT

WEATHER

EUROPE HIGH LOW

ASIA HIGH LOW

LATIN AMERICA HIGH LOW

AFRICA HIGH LOW

MIDDLE EAST HIGH LOW

OCEANIA HIGH LOW

SOUTH AMERICA HIGH LOW

AUSTRALIA HIGH LOW

NEW ZEALAND HIGH LOW

INDIA HIGH LOW

CHINA HIGH LOW

JAPAN HIGH LOW

KOREA HIGH LOW

SOUTH KOREA HIGH LOW

TAIWAN HIGH LOW

PHILIPPINES HIGH LOW

INDONESIA HIGH LOW

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SPORTS

For College Basketball, Post-Ewing Prospects of Parity

By William C. Rhoden
New York Times Service

NEW YORK — For all its championship drama last April 1, the 1984-85 college basketball season was dominated by super players on super teams in super conferences.

The Big East and the Atlantic Coast Conferences placed four teams each in the final 16 of the national tournament, and the Southeastern Conference sent three. The semifinals featured three Big East teams and fittingly showcased a star-studded Big East graduating class: Patrick Ewing of Georgetown, Cliff Robinson and Bill Wennington of St. John's and Ed Pinckney of Villanova, the eventual national champion.

This season, the scene is completely changed. No other teams return, and no super players who tower above the rest, as Ewing did the previous three years, and Ralph Sampson did before him. But consensus

The Big Ten, with Michigan and Illinois, is also strong, and the Big Eight has some of the nation's best big men in 7-foot-1 (2.16-meter) Greg Odening and 6-11 Danny Manning of Kansas and 6-11 Dave Hoppen of Nebraska (23.6 points, 11.6 rebounds and a Division I-leading 64.6 percent from the floor). But those leagues lack the top-to-bottom strength.

THE COACHES

There are 55 new head coaches in Division I. That represents a 1.4 percent turnover rate, the highest since 1979 (20.6). The turnover rate is also a sharp contrast to 1984-1985 when it stood at 9.1 percent.

Two of the most prominent coaching shifts involve schools with rabid basketball followings — Kentucky and Arkansas. After 11 seasons and nine straight NCAA tournament appearances, Eddie Sutton left Arkansas to become coach at Kentucky. Sutton's replacement at Arkansas is Nolan Richardson, the former coach at Tulsa who becomes the first black coach in the Southwest Conference.

Two other coaches will be experiencing pressure of heading up a favorite. Jim Boeheim of Syracuse and Bobby Cremins of Georgia Tech have been picked to win the the Big East and ACC, respectively.

For the last four seasons, Big East teams have scrambled to see who could upset Georgetown. This year, with everyone more or less in the hunt, the onus has been put on Syracuse, which returns all but one starter and two standouts in Dwayne Washington and Rafael Addison. "The happy we're rated high," Hearn said. "We're better than we were last year. But on the other hand, the league is much more balanced."

Cremins has seen his program go from basement to ceiling in four seasons. "My own expectations," he said, "are usually tougher than the media's and fans'. This is the first time since I've been coaching that other people's expectations are higher than mine. I just don't know if we can live up to them."

No matter how a coach handles the pressure to win, one thing is certain: It won't go away. Last season, after coaching Jacksonville to an upset victory over Alabama-Birmingham, Bob Wenzel went to a hospital complaining of severe headaches. Doctors detected a rupture of a blood vessel at the base of his spine. Emergency surgery was successful, although Wenzel missed the rest of the season. Now, he's back.

For the five seasons, the ACC, the Big East and the Big Ten have been the dominant conferences, with occasional challenges by the SEC, Metro and Southwest Conference.

This season, the balance of power will shift — some say it will simply return — from the Big East to the ACC. The ACC enjoyed a phenomenal recruiting year, gleaming a number of blue-chippers from Big East territory. The conference boasts three exceptional teams in Georgia Tech, North Carolina and Duke.

COLLEGE BASKETBALL PREVIEW

from most observers is that, from top to bottom, the 1985-86 campaign could be among the most competitive in recent history.

"There is an unusual set of circumstances this year, the strongest I can remember. I've been involved in college basketball," said Billy Packer, the broadcaster who played and coached basketball in the ACC.

"Ever since I can remember, there has always been at least two consensus all-Americans returning — sometimes three or four. This season you don't have any,"

and normally that would lead people to think there's a drought. But this year you have more good teams than there have been in recent memory. Teams that really don't have any weaknesses, and that can only be better than expected, not worse."

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other people's expectations are higher than mine. I just

don't know if we can live up to them."

"I guess I would be more interesting if I said I'd become a Buddhist Monk, but my thinking hasn't really changed," he said. "I think I appreciate things more, and small problems don't bother me as much. But I can't say that because of brain surgery I feel like a game is just a game. It's not like that. There's been no change in my intensity, my desire to win."

THE PLAYERS

There may not be a Ewing, but Kenny Walker might come close enough. Last season, the 6-8 forward virtually carried Kentucky into the national tournament and surprise victories over Washington and Nevada-Las Vegas. He averaged 22.9 points and 10.2 rebounds a game last year, while shooting 53.9 percent from the field and 76.8 percent from the foul line.

David Robinson, Navy's 6-11 center, will be among the nation's premier big men, as will Ray Tisdale of Michigan, also 6-11, and Odening of Kansas.

Robinson, a junior, marvels at being touted as an all-American, although last year he scored 23.6, shot 64.4 from the floor, and rebounded 11.6 at an amazing clip. "The thing is, I finally got used to my size. It's tough realizing how tall you are, and I had to learn to take advantage of my size. My freshman year I was 6-8, my sophomore year I was 6-9. Now I'm just about at 7 feet. I really haven't caught up to my size yet. I have to keep reminding myself to jump for rebounds, or to block shots and run, really run, down court to maximize my size."

Other talented players will be looking to revive after drops or disappointments. Programs that made investments in these one-chip players three years ago are calling in their debts. Some players for whom 1985-86 ought to be a year of atonement:

• Dwayne Washington, Syracuse: Heralded as one

of the country's best guards a year ago, Washington had an uneven sophomore season. He averaged 15.4 points and 6.1 assists, but his turnovers were alarming, high and he discovered that opponents had found remedies for the Houdini-like moves they found so baffling in 1983-84. Now with maturity, and with a veteran team surrounding him, he could become one of the nation's most effective and exciting players.

• Bruce Douglass and Elmer White, Illinois: After blazing out of the blocks in 1983-84, Douglass and White began to taper off last season. Under pres-

sure, Douglass's shooting touch disappeared in March. The 6-8 Winter was adequate as a boardsman, but was hardly a dominant force.

• Chris Washburn, North Carolina State: Washburn, a much-heralded 6-11 freshman center, made a major impact. His arrest for stealing an acquaintance's stereo system resulted in his suspension from the team for the season. Obviously, that's not the sort of impact the scouts had in mind. By most accounts Washburn is a bright, energetic young man with loads of talent. He is ready to play and he has much to prove.

• Dallas Comegys, DePaul: He was Mr. Potential in 1983-84 and again last year, when he played erratically and failed to take charge in crucial situations. Comegys, 6-9 and 205 pounds (93 kilograms), must show he's more than a mechanical offensive player whose claim to fame is blocking shots.

• Mill Wagner, Louisville: Wagner, two seasons ago tabbed as one of the country's brightest guard prospects, broke a foot and sat out last year. His challenge is to come back strong in his final season and lead a young but extremely talented team.

There are some players no longer under the shadows of superstar teammates — but who will have to prove they are really as good as they looked last year.

Two in that category are forwards Reggie Williams and David Wingate of Georgetown. With Ewing drawing a jam to the middle, Williams and Wingate were dangerous perimeter players who hit with regularity from the baseline and also contributed jumping drives to the basket. Now they will attract much of the defensive attention.

Finally, there are some players you will see in March and wonder where they have been. They include:

• James Smith, 6-7, guard/forward, Texas-El Paso: Some call him the best athlete at the school since Nate Archibald. An intense, hard-nosed and exciting player.

• Nik Wilson, 6-8, forward, LSU: Wilson averaged 15 points a game last season and made 58.5 percent of his field-goal attempts.

• Carl Golston, 5-9, guard, Loyola of Chicago: Golston actually had a brilliant 1984-85 season (second in the nation in assists, averaging 9.2) and is not really a major surprise, except that his eager-shooting teammate, Alfred Hughes, eclipsed him. Golston should improve on his 14.8 scoring average.



Harold Pressley, one of few regulars returning for the 1985-86 campaign at Villanova, the defending national champion.

SCOREBOARD

ART BUCHWALD

The CIA Baby-Sitter

WASHINGTON — I was jogging in Langley, Virginia, when I spied K in rubber boots hosing down a Ford in the CIA car wash. This surprised me because K ranked fourth from the top in the Company. "What gives?" I asked him.

"K said, "I owe this to Vitaly Yurchenko."

"You knew Vitaly?"

"I not only knew him, I was his baby-sitter."

"I'm impressed."

"Don't be. That's why I'm washing cars."

"What a terrible No. 4 in the firm."



off with him and raising a household of little defectors in Virginia."

"What did Yurchenko do when he realized he had made the trip for nothing?"

"He went into a funk and told me he no longer believed in the American dream."

"Nothing you've told me so far explains what you are doing in the CIA car wash."

"Although the Ottawa trip did not go as expected I was forgiven by the director and still permitted to be Yurchenko's baby-sitter. I took him to the Smithsonian, the Kennedy Center, the Capitol, and stood in line six hours for a tour of the White House."

"Isn't that a dangerous place for a defector?"

"Somebody had to be the fall guy when the rat defected to Moscow. K sat on the bumper of a sedan. 'My orders are Yurchenko's namby-pamby to stay with him day and night and see that all his needs were taken care of. If he wanted pizza I got him pizza. If he wanted to see an X-rated movie on VCR I checked one out. There wasn't anything I couldn't provide, including two tickets to the Redskins game.'

"I didn't know the CIA had Redskins tickets."

"We don't. Someone in our basement forges them for us when we're on Company business."

"Were you the one who took Yurchenko to Ottawa so he could meet his Soviet mistress?"

"Of course I was. Yurchenko told me as we drove up that all he had to do to get his loved one to defect was whistle. But Yurchenko whistled and his paramour gave him the Bronx cheer."

"KGB agents were never good lovers."

"It was a gamble. What we didn't know was that Natasha, or whatever the hell her name was, had been stringing Yurchenko along. She never had any intention of running away."

N.Y.C. Ballet Opens Season

The Associated Press

NEW YORK — The New York City Ballet opened its season Tuesday night with three dances by George Balanchine. The season continues through Feb. 23.

I said, "Now I understand everything except why they assigned you to the car wash."

K wiped a fender with a chamois. "The boys on the seventh floor believe this is the best place to hide me until the director no longer wants to kill me."

I said, "Now I understand everything except why they assigned you to the car wash."

"The authorities have blocked off with the construction of toilets around the church. It is a miracle that we have had no epidemics," said the Reverend Slavko Barbaric, who deals with a pilgrim flow that on special occasions reaches as many as 100,000 people a day.

Although Yugoslavia has built hotels on a mass scale in the hope of attracting foreign tourists, it refuses to do so in Medjugorje, where large numbers of travelers arrive daily, summer and winter, and find lodgings only in farmhouses. The visitors pay the rent to the authorities — three times as much for foreigners than for Yugoslavs for the same accommodations — and the hosts receive only about one-third of what is charged.

The local authorities have

more than matched by that of the government. Although Yugoslavia is generally liberal in its attitude to religion and less insistent on atheist ideology than other Marxist governments, the appearance of a religious miracle and a constant flow of believers from Yugoslavia and the rest of the world after 40 years of Communist rule is an embarrassment.

"It doesn't bother us," said Dusan Dragosavac, smiling determinedly. Dragosavac is a member of the presidium of the League of Yugoslav Communists, the equivalent of the Politburo.

He added, in an interview at party headquarters in Belgrade:

"Yugoslav and foreign tourists attend such manifestations. Some Yugoslav tourist organizations organize tours there. They are interested in earning profits and don't care whether they bring faithful or atheists. They are tourists. We have no illusions. Religion is here and will be here for a long time."

With a foreign debt of \$20 billion, Yugoslavia finds it difficult to reject any source of hard-currency earnings. But it finds it no easier to give even implicit recognition to the existence of a religious phenomenon by acknowledging that the tourists are pilgrims.

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